Daily Report

Central Eurasia

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FBIS-SOV-96-026
Wednesday
7 February 1996

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Daily Report
Central Eurasia

FBIS-SOV-96-026 *7 February 1996*

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Terrorist Activity

Russia: Anti-Russian Rally in Groznyy Begins Fourth Day

LD0702064196 Moscow ITAR-TASS in English 0636 GMT 7 Feb 96

[By Oleg Artyushin]

[FBIS Transcribed Text] Groznyy, February 7 (ITAR-TASS) — The anti-Russian rally in the Chechen capital resumed on Wednesday dawn for the fourth day running and big groups of participants are coming by foot or on buses.

Some of the participants spent the night in tents in front of the former presidential palace, as well as in buses and shelters which they managed to erect on the palace square.

Their demands remain unchanged — an immediate withdrawal of Russian troops from Chechnya and the resignation of the pro-Moscow government of Doku Zavgayev.

Two green flags of Islam and the Republic of Ichkeria, as the separatists call Chechnya, remain hoisted over the ruined building of the palace, as well as the portraits of separatist leader Dzhokhar Dudayev and terrorist Shamil Basayev.

Anti-Russian slogans have been painted on all fences around the palace.

Early on Wednesday some Russian armour was withdrawn from the government building which was heavily guarded overnight.

The general situation in Groznyy is quiet. Government offices, shops and the marketplace are working.

Russia: Groznyy Demonstrators Said Trying To Free POWs

AU0702120196 Paris AFP in English 1127 GMT 7 Feb 96

[FBIS Transcribed Excerpt] Groznyy, Russia, Feb 7 (AFP) — Some 2,000 Chechens demonstrated for independence amid rising public tension here Wednesday [7 February], while in Moscow President Boris Yeltsin summoned Russia's high-powered Security Council on the crisis. [passage omitted]

Tensions were already running high after an incident late Tuesday when unknown gunmen injured two demonstrators spending the night in the open air.

Around 500 demonstrators camped out overnight in makeshift shelters near the central square of the Chechen capital, close to the presidential palace, scene of ferocious clashes between security forces and Chechen separatists last year.

Eyewitnesses told AFP the hidden gunmen opened fire at demonstrators settling down for the night, leaving a man and a woman injured.

A Chechen spokesman, Ruslan Soslambekov, told AFP the rebels intended "unilaterally to free four Russian prisoners-of-war in response to appeals by the Russian democrats Yegor Gaydar and Grigori Yavlinsky for the withdrawal of Russian troops from Chechnya." [passage omitted]

Russia: Chechen Government Plans To Halt Groznyy Rally

LD0702120296 Moscow ITAR-TASS World Service in Russian 1138 GMT 7 Feb 96

[By ITAR-TASS correspondent Oleg Artyushin]

[FBIS Translated Text] Groznyy, 7 Feb (ITAR-TASS) — The Government of Chechnya today took the decision to halt the unauthorized opposition rally outside the former presidential palace building in Groznyy. Deputy Prime Minister Abdul Bugayev, who took part in the sitting of the operational headquarters of the government and Supreme Council of the Chechen Republic, told the ITAR-TASS correspondent that "all the necessary measures will be taken" to restore public order in the Chechen capital. He said that the government "does not intend to accept further the presence of a large number of armed persons among those at the rally." According to the information of the authorities, plans to seize government buildings and institutions are being hatched at the rally.

Russia: Chechen Government Statement on Dudayev, Rally

LD0602151096 Moscow ITAR-TASS in English 1435 GMT 6 Feb 96

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, February 6 (ITAR-TASS) — Dzhokhar Dudayev and his entourage is the only force which seeks to continue the so-called "no peace, no war" situation in Chechnya, says a statement circulated by the press secretary of the Chechen government Ruslan Martagov on Tuesday.

A rally of the opposition forces which is going on in Groznyy for three days was organised when an agreement was reached on the withdrawal of federal forces from a number of regions of the Chechen republic. Martagov believes that the presence of federal troops in Chechnya helps Dudayev present himself to

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part of the Chechen population in an advantageous image of a fighter for independence.

The statement says that even if there is a hypothetic chance of Dudayev's returning to power, he will shortly prove himself utterly helpless and unable to restore the republic or offer assistance to the population and will face a dilemma either to begin mass reprisals or flee from Chechnya, the statement said.

Russia: Groznyy Demonstrators Not Violating Public Order

LD0602193896 Moscow INTERFAX in English 1653 GMT 6 Feb 96

[FBIS Transcribed Text] GROZNYY, Feb 6 (INTERFAX) — Those rallying in central Groznyy, the capital of Chechnya, have not thus far violated public order, the press service of the Russian Interior Ministry's interim department in Chechnya told INTERFAX today.

Law enforcement organs have done their best to prevent possible massive disorder, shootouts or other excesses, the same source said.

The situation in Groznyy, including near the former presidential palace, is under control, the same source said.

Officers of the Russian Interior Ministry's interim department detained a Chechen militant who attempted armed resistance, the same source said.

Furthermore, policemen discovered seven automatic weapons, a hand grenade launcher and a large quantity of ammunition with the help of an arms-sniffing dog in the basement of a residential building, the same source said.

The interim department's investigation division discovered the whereabouts of missing Russian serviceman Dmitriy Rykov and exchanged him for a Chechen resident, the press service said.

Russia: Commander Warns Against Mass Unrest in Groznyy

LD0602130496 Moscow INTERFAX in English 1134 GMT 6 Feb 96

[FBIS Transcribed Text] GROZNYY, Jan 6 (INTERFAX) — Mass disorder can be provoked during the rallies continuing in the center of Groznyy, INTERFAX was told Tuesday by the commander of the federal force in Chechnya Lt.-Gen. Vyacheslav Tikhomirov.

He said troops have been given strict instructions not to create any conflict situations in the square in front of the presidential palace. "At the same time they have been told to resolutely stop unlawful actions or attempts to seize public buildings", the commander said.

He said the two days of rallies have convinced him that the actions are clearly organized and part of the armed people are trying to enter the central square of the city and mix with the protesters. Tikhomirov said certain preventive steps have been taken, in particular security at government buildings has been tightened and army reserves prepared.

"I think we have the might to firmly stop provocations. There will be no other way out in this situation. Direct fire will be resolutely opened," he said. In this case, he added, the entire responsibility will lie on the Chechen leaders who organized the rally.

On the withdrawal of troops Tikhomirov said that there has been talk of it in the cabinet and presidential structures that are working on an appropriate program. He feels a clear and final decision should be made on the issue.

"It is premature to speak of the withdrawal today," the commander said. In his opinion first an end must be put to the operation of gangs, the standing and role of the Chechen government and federal bodies should be raised, primarily the Interior Ministry, that will be invited to act in places left by federal troops.

Russia: Chechen Security Chief Warns of New Provocations

LD0602144096 Moscow ITAR-TASS in English 1329 GMT 6 Feb 96

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, February 6 (ITAR-TASS) — Chief of the Chechen Security Council Ruslan Tsakayev has not ruled out a possibility of another major provocation which might be staged by pro-Dudayev's forces in Groznyy. According to information at his disposal, there are a least 150 gunmen taking part in an unauthorized rally outside the former presidential palace. The majority of the Chechen militants are scattered in the city, hiding in semi-destroyed buildings.

Tsakayev believes that for provocative purposes the militants might open fire from the crowd of protesters and afterwards, the crowd would be turned in the direction of government institutions. Tsakayev warned that the militants might use women and children as a shield to break through militia cordons. According to Tsakayev, the final goal of the organizers of the provocation is to seize the building of the government.

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He pointed out that the Chechen government is doing everything possible to prevent bloodshed. People enjoying respect in Chechnya, including prominent Muslim leaders, have been sent to negotiate with the demonstrators. However, the talks have been to no avail yet.

Meanwhile, life in the city goes on. There are many people in the streets. Shops, a local market and state enterprises are working normally.

Russia: Ammunition Cache Found Near Site of Groznyy Rally

LD0702112596 Moscow ITAR-TASS World Service in Russian 0925 GMT 7 Feb 96

[By ITAR-TASS correspondent Oleg Artyushin]

[FBIS Translated Text] Groznyy, 7 Feb (ITAR-TASS) — A small cache of ammunition containing mines, grenades, and cartridges was discovered this morning in the center of Groznyy, not far from the place where the opposition is holding an unsanctioned rally. An official of the republican law-enforcement bodies told ITAR-TASS that the arms and ammunition were probably intended for one or two militants who are operating in the city.

Similar caches had been removed earlier from the same area .

"The Chechen Government is doing all it can to normalize the situation in Groznyy and prevent bloodshed," Ruslan Martagov, press secretary of the republican government told ITAR-TASS. The situation that has developed in the capital of Chechnya as a result of the unsanctioned rally is being discussed today at a government meeting chaired by Deputy Prime Minister Sanaki Arbiyev.

Ruslan Martagov stressed that all government members are at their posts and all state institutions are working normally.

Russia: Groznyy 'Increasingly Tense' as Convoys Approach

MM0702111396 Moscow KRASNAYA ZVEZDA in Russian 7 Feb 96 p 1

[Feature comprising report by special correspondent Major Konstantin Petrov from Chechnya, and "Own Information" report: "Groznyy: Same Old Scenario With a New Development"]

[FBIS Translated Text] [Petrov report] The situation in Groznyy is becoming increasingly tense. In the past few days crowds of people in the guise of demonstrators have once again been moving to the city from the direction of Argun, and trucks, cars, and buses have been on the move. A scenario not, so to speak, notable for its novelty. First, individual groups of 15-20 men walked along the road, and after them, after an interval of half an hour, the convoys started to move. The total number amounted to about 2,000.

At the blockhouses in close proximity to the grouping's headquarters at Khankala, groups of around 20 armed gunmen were observed, taking up positions in case of actions by the federal troops.

A video shot from on board a helicopter above the convoys enables one to determine unequivocally that the majority of the people, among whom are many men, women, and children, were on their way to the city by no means of their own free will. Threats, shouting, kicks for the stragglers — all this was visible, so to speak, to the naked eye. Something else is also obvious: They are trying to infiltrate disparate groups of gunmen, groups of various sizes, into Groznyy in the guise of a public political action. It is hard to predict what will follow. But we are looking at the whipping up of the situation by Dudayev's supporters, at open provocation.

The federal troops are taking appropriate measures. The relevant instructions have been issued to the blockhouses. The checking of passes is being stepped up. Units and subunits are in readiness to carry out any tasks, however difficult.

It must yet again be regretted that in the event of a possible conflict being unleashed, totally innocent civilians will suffer.

["Own information" report] In the past 24 hours, as the editorial office was told from Groznyy by Lieutenant Colonel Vasiliy Panchenkov, chief of the Russian Federation MVD [Ministry of Internal Affairs] Internal Troops press bureau, who is also KRASNAYA ZVEZDA's stringer, one serviceman was killed in Chechnya and three wounded. In general the situation in the republic remains complex. In the course of the 24 hours, mainly during the hours of darkness, there were 28 instances of firing on federal troops. Of these, 19 were in Groznyy. Lt. Col. Panchenkov said that, in the assessment of the command of the Combined Grouping of Federal Forces in the Chechen Republic, Dudayev's gunmen have in recent days been making every effort to destabilize the situation. In the past 24 hours servicemen of the internal troops have rebuffed attacks by the Dudayevites in the regions of the population centers of Bamut, Orekhovo, Vinogradnoye, and Tukhchar.

Lieutenant General Vyacheslav Tikhomirov, commander of the Combined Grouping, stated 5 February that the troops have been given very strict instructions not to create any conflict situations, but at the same time they

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have been tasked with clamping down most decisively on any unlawful actions that occur. Lt. Gen. Tikhomirov said in connection with the rally taking place in Groznyy that he does not rule out the arrival of armed groups of gunmen in Groznyy in the guise of demonstrators.

The dramatic increase in the complexity of the situation in Chechnya in the past few days is prompting various reactions among the country's statesmen and public figures and the entire population of Russia. Along with calls to withdraw the troops from the Chechen Republic, proposals of exactly the opposite can also be heard today. According to ITAR-TASS, the Far East Committee for the Protection of the Rights of Servicemen and Their Families, which operates in Maritime Kray, has come out against the withdrawal of federal forces from Chechnya. "We warn against the withdrawal of Russian troops from the Chechen Republic, otherwise a real internecine war will begin there, with Dudayev's gunmen massacring those who do not agree with their bloodthirsty policy," an appeal sent to the Russian leadership 6 February says.

Meanwhile representatives of the Russian Federation MVD Main Personnel Directorate administration for work with personnel sent a message to the editorial office expressing support for the editorial office's act of mourning in the shape of the publication of the names of those killed in Chechnya, and passed on additional details of losses in Kizlyar and Pervomayskoye.

Kizlyar: Police Private Khasanov, Sabir Aliyevich;

Pervomayskoye: Police Junior Lieutenant Melnikov, Pavel Ivanovich; Police Warrant Officer Timofeyev, Vladimir Sergeyevich;

Police Senior Lieutenant Karaulov, Oleg Aleksandrovich, killed in Groznyy 24 January;

Lieutenant Pokivaylov, Fedor Semenovich, and Junior Sergeant Kozlov, Sergey Valeryevich, servicemen of the Russian Federation MVD Internal Troops, killed 30 January, according to information from a staffer of the newspaper SITUATSIYA.

Russia: Chechen Mufti Council Calls To End Groznyy Rally

LD0702102296 Moscow ITAR-TASS in English 0927 GMT 7 Feb 96

[FBIS Transcribed Text] Groznyy, February 7 (ITAR-TASS) — The Chechen mufti council called on the participants in numerous anti-Russian rallies in Chechnya on Wednesday to stop the actions which can trigger a new aggravation of the situation in the republic.

An appeal of the Muslim religious leaders, circulated in Groznyy, said rallies and demonstrations "only distance the people from the long-awaited peace".

The religious leaders expressed hope that the demonstrators would show "wisdom during the holy Muslim month of Ramadan and would refrain from unlawful actions".

Unsanctioned opposition rallies are being held not only in Groznyy, but also in numerous settlements of the republic on Wednesday.

A big crowd has gathered in the town of Shali, demanding an immediate withdrawal of federal troops checkpoints, a "free travel across the territory of the republic" and the resignation of the pro-Moscow government of Doku Zavgayev.

In Groznyy a mass anti-Russian rally with the same demands has been going on for the fourth day on Wednesday.

Political Reaction

Russia: U.S. Embassy Refutes Dudayev's War Funds Charge

LD0602205496 Moscow INTERFAX in English 1915 GMT 6 Feb 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — The U.S. embassy in Moscow refuted Chechen separatist leader Dzhokhar Dudayev's statement that the United States had provided $6.5 billion "particularly for the war in Chechnya."

"The statement absolutely does not correspond to the facts," U.S. embassy spokesman Richard Hoagland told INTERFAX in Moscow Tuesday.

He would not comment on another statement by Dudayev made at a news conference in a highland village in southern Chechnya in favor of instituting criminal proceedings against U.S. President Bill Clinton who, according to Dudayev, had authorized the provision of these funds to Russia for the Chechen campaign.

However, sources in the U.S. embassy called the accusations against Clinton "absurd and ridiculous."

A similar assessment was given to Dudayev's words by the Russian Foreign Ministry. Dudayev's latest statements, including his anti-U.S. diatribes, lead one to question his sanity, said a high-ranking official at the Russian Foreign Ministry.

"If it continues like this, then Dudayev will have to be treated, not prosecuted," he said.

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Russia: Dudayev Rejects Talks With Chechen Head Zavgayev

LD0602150796 Moscow ITAR-TASS in English 1422 GMT 6 Feb 96

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, February 6 (ITAR-TASS) — Dzhokhar Dudayev has again rejected a possibility of talks with head of the Chechen republic Doku Zavgayev.

Dudayev spoke at a news conference for a group of journalists which was held in one of the villages in the highlands in southern Chechnya last night.

During the news conference which was, as usual, notorious by attacks on the Russian leadership, threats were made against Western countries cautioning them against "connivance with Russia." Dudayev even declared that a criminal case would be filed against U.S. President Bill Clinton. Dudayev declared that Russia had allegedly received 6.5 billion dollars from the world community to continue the war in Chechnya.

Dudayev has warned Russian leaders against any attempts to assassinate himself, Shamil Basayev or his other accomplices, saying that if he died the war would acquire a different character, "making everyone's hair stand on end."

Speaking about hostages held by Chechen militants, Dudayev without any reason whatsoever called the construction and energy workers held in captivity agents of Russian secret services who had allegedly been given a certain assignment on the territory of the Chechen republic.

Russia: Dudayev: Next Target To Be Western Europe, Not Moscow

LD0602195696 Moscow Russian Television Network in Russian 1700 GMT 6 Feb 96

[From the "Vesti" newscast]

[FBIS Translated Text] [Correspondent L. Ioffe] Last night, in a place known only to himself, Dzhokhar Dudayev met journalists. Strange as it may seem, this time he accused not Russia but, first of all, the West for all the troubles in Chechnya. [video shows Dudayev surrounded by journalists]

[Begin Dudayev recording] The entire Western world is helping Russia carry out this aggression. Criminal proceedings have been started against Clinton. [end recording]

[Ioffe] Dudayev said that what lies ahead is not an eternal war between Chechnya and Russia, but an eternal war inside Russia. All North Caucasus is about to revolt against Russia. Answering a question about whether, after Budennovsk and Kizlyar, similar events can be expected in Moscow, Dudayev said:

[Begin Dudayev recording] I will not say that I have plans to attack targets in Moscow. Conditions, time and place are needed for this. When the time is ripe we will attack, but our target will be Western Europe rather than Moscow. [end recording]

[Ioffe] An answer was given to the "Vesti" correspondent's persistent questions about the fate of the power engineers and priests who had disappeared.

[Begin recording] [Dudayev] Each of these construction workers, power engineers, and clergymen is a very complex individual who needs thorough work, investigation, and study. This is not a simple matter.

[Unidentified correspondent] So they will not be released soon?

[Dudayev] Some may be soon while others, months or years — who knows? It will be decided on an individual basis. [end recording]

Russia: Further on Dudayev Threats to Europe, OSCE

LD0602221396 Moscow NTV in Russian 1900 GMT 6 Feb 96

[Report over video from Chechnya by correspondent Pavel Lobkov on news conference given by Dzhokhar Dudayev on 5 February; Dudayev remarks are recorded — from the "Segodnya" program]

[FBIS Translated Text] [Announcer] Former Chechen President Dzhokhar Dudayev is continuing to monitor the situation in his hideout in the mountains, to which he invites journalists every now and then. Last night Dudayev made a statement which threw the U.S. Embassy in Moscow into confusion. The assertion that the United States had allocated Russia $6.5 billion for the Chechen campaign was immediately denied here. They preferred not to comment on what the general said about planning to bring criminal charges against U.S. President Clinton.

Pavel Lobkov reports with some details about Dudayev's news conference.

[Lobkov, over video of Dudayev, in fatigues, indoors, with Chechen flag in background] The news conference which Dzhokhar Dudayev held, presumably in the village of Roshni Chu, started most oddly. We will not fight with Moscow, Dudayev announced, and promised to direct his aggression elsewhere.

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[Dudayev] When the time is ripe, we will attack, not Moscow, but west Europe, which is sanctioning everything, along with Russia. That is where the source of all evils is, in west Europe.

[Lobkov] Dudayev used the word "geopolitics" more than 10 times, and to judge from what he said, he needs at least a Europe-wide scandal around his name. Thus, he announced that the staff of the Organization for Security and Cooperation in Europe which took part in the talks in the summer were in fact pursuing the goal of unleashing war.

[Dudayev] With such democracy, the way to us in the Caucasus will be closed to them. Criminal charges have been brought against them, and they will treated as war criminals. A resolution to that effect from the general prosecuter has been presented to them.

[Lobkov] As regards Raduyev's raid on Kizlyar, Dudayev announced that this had a propganda aim.

[Dudayev] This was a planned action, desig..ed to show we will not tolerate bathing our children in blood here while our neighbors bathe in milk. That is not honest.

[Lobkov] Dudayev told the journalists that almost all the power engineering workers he has taken hostage are his prisoners of war, and that they are under investigation.

[Dudayev] For us — as the investigation confirms — they are the hirelings of the special services, carrying out the orders of the aggressor on this territory and doing it considerable harm.

[Lobkov] The loudest accusations were hurled at Bill Clinton. According to information which the leader of the Chechen rebel turns out to have, Clinton allegedly — I quote — gave his blessing to Yeltsin over the Chechen war, because Clinton had an interest, according to Dudayev, in weakening Russia. Pavel Lobkov, NTV Television.

Russia: Chechnya Leader on Troop Withdrawal, Rally Issues

LD0602211996 Moscow ITAR-TASS World Service in Russian 2042 GMT 6 Feb 96

[by ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 6 Feb (ITAR-TASS) — Reports to the effect that, at today's sitting of the Federation Council, Doku Zavgayev, head of the Chechen Republic, spoke against the withdrawal of federal troops from Chechnya have been categorically denied by Amin Osmayev, chairman of the republic's Supreme Council. He made this statement while speaking on Groznyy TV this evening. "Doku Zavgayev is the prime mover of the troop withdrawal and deals with these matters virtually every day," said the chairman of the Supreme Council of Chechnya.

At the end of his TV address, Amin Osmayev urged his fellow countrymen to make every effort to end the rally, which threatens to cause further bloodshed in Chechnya.

The unsanctioned rally by the pro-Dudayev opposition continued this afternoon outside the former presidential palace in Groznyy.

Russia: Chechen Head Attends Federation Council Meeting

LD0602133696 Moscow ITAR-TASS World Service in Russian 1118 GMT 6 Feb 96

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 6 Feb (ITAR-TASS) — Dialogue on a peaceful settlement of the Chechen problem and withdrawal of federal troops "will continue, despite the fact that the so-called Dudayevite patriots have, by organizing the wave of rallies in confrontation with Russia, thrown the positive process back," head of the Republic Doku Zavgayev stressed today in an interview with an ITAR-TASS correspondent. He has arrived in Moscow for a session of the Federation Council. On the question of withdrawal of troops from Chechnya, "we have found together with the military a mutually acceptable solution, although the search for it was prolonged," he said.

It is not a matter "of clearing the whole territory totally overnight," the Chechen leader explained. The head of the republic said "this must be done stage by stage, beginning with individual districts, where local authorities must take the situation under control."

Zavgayev is certain all these questions can be resolved. He noted that should the troops be withdrawn he "does not fear that Dudayev might seize power."

The head of the republic is a member of a group preparing a Federation Council paper on the situation in Chechnya. This issue has been put on the agenda of the Federation Council and will apparently be debated on Wednesday [7 February]. Those who took the floor stressed that, as far as any decision was concerned, "it is necessary not to be hot-headed, but to find an even-handed way out to help the Russian Federation president in this situation."

Addressing his colleagues, Zavgayev noted that the situation in his republic was rather complex and that it should not be discussed on the basis of piecemeal information.

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Doku Zavgayev stressed that "the resources from Moscow do not create preferential conditions for people living in Chechnya." He said money was being invested in the power engineering industry and transport, something all North Caucasus regions were interested in. "It is necessary to join efforts by all branches of power and to tackle this problem together with the president and the State Duma according to a single plan," he stressed. Members of the Federation Council agreed with this view.

Russia: Duma Official Urges End to Conflict in Chechnya

LD0602164196 Moscow ITAR-TASS in English 1432 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, February 6 (ITAR-TASS) — The release of all forcibly kept servicemen and other citizens in accordance with the formula "without any additional terms and all for all" may become the first step on the way to the relaxation of the confrontation in Chechnya, said Ramazan Abdulatipov, the chairman of the State Duma committee for assistance in liberating forcibly held servicemen, civilians and searching for persons reported missing during the armed conflict in Chechnya.

On Tuesday, he addressed Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin, as well as head of the Chechen republic Doku Zavgayev, urging them to take measures in order to terminate the armed conflict in Chechnya. Abdulatipov also sent his appeal to Dzhokhar Dudayev.

The dialogue on the peace settlement of the Chechen problem and the withdrawal of the federal troops from the republic "will continue, despite the fact that the so-called patriots supporting Dudayev, have thrown back the positive process by organising a number of meetings aimed at confronting Russia," Zavgayev told ITAR-TASS. He arrived in the Russian capital to take part in a meeting of the Federation Council.

Concerning the issue about the withdrawal of the federal troops from Chechnya, "we have found with the military a mutually acceptable decision although we have been searching for it for a long time. This should be done on a stage-by-stage basis beginning from separate districts where local authorities should control the situation," Abdulatipov said.

"The federal troops have been given strict orders not to create any conflict situations. At the same time, they have been assigned the task in the event of a threat of unlawful actions to check these attempts," Lieutenant-General Vyacheslav Tikhomirov, commander of the joint armed forces in Chechnya, stated touching on the situation in Groznyy where the meeting has been held for several days. Participants in the meeting are demanding the withdrawal of the federal troops from Chechnya.

The general does not rule out that armed people may be among those taking part in the meeting. In this connection he informed about the measures which had been taken: block-posts have been strengthened, government buildings are being guarded and troop reserves have been prepared for the event of the situation getting out of control.

"We are preparing for this, and I think we will have enough forces to stop resolutely any provocations," Tikhomirov said.

During the last twenty-four hours, the situation in the republic remained complex, Vasiliy Panchenkov, the head of press bureau the interior troops of the Russian Interior Ministry, told ITAR-TASS.

Servicemen of interior troops repulsed attacks by militants in the area of the populated localities of Orekhovo, Bamut, Vinogradnoye and Tukhchar.

A total of 28 cases of shelling the federal troops were registered. The command believes this is connected with the premeditated wish of Dudayev's militants to destabilise the situation in Chechnya.

The non-sanctioned meeting of the opposition forces is continuing today in front of the former presidential palace in Groznyy. By 12:00 today about 3,000 people gathered there which is considerably fewer than in previous days.

The demands of the participants in the meeting are remaining the same — the withdrawal of the federal troops from the territory of the Chechen Republic and the resignation of the administration headed by Doku Zavgayev. Those taking part in the meeting are chanting anti-Russian slogans.

The official Groznyy does not rule out the possibility of provocations by Dudayev's militants. About ten armoured carriers and infantry combat vehicles have been brought again to the government building. Forces of law enforcement bodies are also being concentrated there.

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Russia: Chechen Commander on 'Partial' Troop Withdrawal

LD0602194396 Moscow Russian Television Network in Russian 1700 GMT 6 Feb 96

[Video report by correspondent G. Nikolalyev; from the "Vesti" newscast]

[FBIS Translated Text] General (Vyacheslav) Tikhomirov, commander of the Russian temporary joint forces in the Chechen Republic, explained the current actions of Dudayev supporters in Groznyy by the initiative to withdraw Russian troops from Chechnya put forward by Nizhniy Novgorod governor [Boris Nemtsov]. At the same time the commander believes, Dzhokhar Dudayev is also afraid of a peaceful settlement in the republic. A partial withdrawal of the federal troops, however, is possible in two-three months.

[Begin recording] [Tikhomirov] Withdrawal would be from those districts where peace has already been established, the state power structure has been restored, and peace and quiet has been enforced by state structures such as procuracy, prefects, detachments, or units of the Interior Ministry which can carry out their duties independently and in a calm atmosphere.

[Nikolayev] As regards the possible introduction of a state of emergency...

[Tikhomirov, interrupting] ...last night there were already attempts by armed individuals in cars to pass through. All this is causing me concern, naturally. The troops have been given strict orders to resist provocations but if these people try to open fire again the troops will resolutely stop such actions. [end recording]

On the whole, the general remarked, Dudayev's standing in the republic is not high. He is popular only among those who have managed to steal enough and poor misguided peasants from the provinces. Dialogue with Dudayev is impossible in principle.

(Begin Tikhomirov recording) I believe that this leader [Dudayev] has no future at all. He is a spent force and we should forget and not mention this category of people at all. It's from among this ancient, courageous, and beautiful people that leaders who really want peace should be found. [end recording]

Russia: Volskiy Discusses Chechnya 'Conspiracy,' Election

BR0602150796 Turin LA STAMPA in Italian 6 Feb 96 p 8

[Interview with Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs, by Giulietto Chiesa in Moscow; date not given. "There Is a War Party and an Idiots' Party"]

[FBIS Translated Text] Moscow — Arkadiy Volskiy, Prime Minister Chernomyrdin's former negotiator in Chechnya, is president of the authoritative Russian Union of Industrialists and Entrepreneurs. He is one of the few "eminences grises" to have succeeded in making a successful transition from Gorbachev to Yeltsin. And he is also one of the best informed people about the background to the war that Yeltsin is unable to end. In his office overlooking Staraya Ploshchad, he too was waiting to hear about the president's new — but still phantom — "peace plan," as telephone calls arrive from Groznyy to keep him informed about the mass demonstrations in support of Dudayev.

[Chiesa] Arkadiy Ivanovich, you have said on several occasions that there are many forces, in Moscow too, that want the war to continue. Can you tell us who they are?

[Volskiy] I will not name names, but I can tell you that they exist on both sides. When oil is at stake, it is always a dirty business. This is not a theory but a fact. It is a very complex conspiracy to which major economic interests and the customary Russian stupidity have both contributed. First, it must be said that it is the Russian leaders who brought Dudayev to Chechnya. The only one to have admitted this unhesitatingly is Gennadiy Burbulis. I do not like him, but he was honest. Second, when the USSR collapsed — another unique event — half the Russian Army's weapons were left to the Chechens. Is there anywhere else that we have done any such thing?

[Chiesa] Azerbaijan, for instance.

[Volskiy] No, that is a different matter. There was an inter-state agreement there. Here it was all spontaneous — to an absurd degree. Dudayev used to send telegrams saying, "Come and take the rest away; it is too much for us." Last, for three years Moscow said nothing while the Constitution was being violated in Chechnya.

[Chiesa] Perhaps its silence was due to the fact that it was advantageous to have an airport that was half Russian and half outside any control...

[Volskiy] No, I do not think so. There is a "War Party" but also an "Idiots' Party." A solution could have been found without waging war on a large scale. Also, to be quite frank, Dudayev himself asked on several occasions to be able to negotiate with the Russians. On one occasion things got as far as the setting of a time and place — Sochi. Dudayev had a new uniform made for the occasion.

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[Chiesa] Which names could be named? Yakubovskiy?

[Volskiy] Yes, that is a name that could be mentioned.

[Chiesa] I think, for instance, that on some of his visits abroad he traveled via Groznyy. And Yakubovskiy, who is now in prison, was one of the most prominent aides in the presidential team. The only thing that is unclear is what he took out and brought back...

[Volskiy] I think that all this lies within the realm of actual possibilities.

[Chiesa] This could be one of the reasons why everyone in Moscow remained silent...

[Volskiy] I know that Jakubovskiy used to go there; I know that many secret services exploited this absurd situation. I know all this, but I cannot go into details.

[Chiesa] It seems that Yeltsin is considering a peaceful solution. Do you know the substance of his initiative?

[Volskiy] I only know what I myself proposed. There is a war. There is another idea — Zhirinovskiy's and Rutskoy's: to raze Chechnya to the ground with napalm. I consider it madness. And there is peace, in accordance with a strategy that I have been proposing since December 1994, when I was elected chairman of the president's reconciliation committee. It was a simple idea — to act in such a way whereby our troops would leave Chechnya as the provinces formed their own self-administrative bodies and their own self-defense militia forces. I think that it remains topical: the withdrawal of all forces — Dudayev's, Moscow's, and those of Zavgayev, the current pro-Moscow Chechen president.

[Chiesa] Would it not be more logical for the Russian troops to withdraw and for direct negotiations with Dudayev to be started? After all, it is now clear that Dudayev enjoys real popular support.

[Volskiy] I think that our withdrawal is impossible. If we withdrew, we would have to take all the Russians, all our supporters, with us. Otherwise they would be finished. In June even Dudayev agreed to two of our brigades' staying on.

[Chiesa] Let us return to Moscow. Is there not somebody who wants to exploit Chechnya in order to postpone the elections?

[Volskiy] Perhaps, but it is now virtually impossible to postpone them. We have gone too far.

[Chiesa] But Yeltsin will lose the elections if things continue this way. Do you think that he can allow this to happen?

[Volskiy] I will tell you two things. If he ends the war, he still has some chance. Second, if he secures guarantees, they could even allow themselves to lose.

[Chiesa] Guarantees from the winners? From Zyuganov?

[Volskiy] Precisely. Negotiations are under way, according to my information. There will be some sacrifices to be made, but the important people will be saved.

[Chiesa] What about Zhirinovskiy? What do you think his chances are?

[Volskiy] He is a fair actor, who does what the director tells him. He could announce his candidacy, then withdraw in favor of Yeltsin.

[Chiesa] In exchange for a few posts?

[Volskiy] Precisely.

Military Activity

Russia: Dudayev's Militants in Groznyy Put On Alert

LD0602221296 Moscow Radio Rossii Network in Russian 2100 GMT 6 Feb 96

[FBIS Translated Text] In connection with the rally in Groznyy, Dudayev's chief of staff, Aslan Maskhadov, has given the order to put the formations of the militants on standby and to make preparations in every populated locality for large-scale combat operations.

Russia: Chechens To Use Force Only In Case of Resistance

LD0702130296 Moscow ITAR-TASS World Service in Russian 1220 GMT 7 Feb 96

[By ITAR-TASS correspondent Oleg Artyushin]

[FBIS Translated Excerpt] Groznyy, 7 Feb (ITAR-TASS) — Force by the law-enforcement bodies against participants in the unauthorized rally in Groznyy "will only be used in the case of resistance," Abdul Bugayev, deputy premier of Chechnya, said in an interview for a ITAR-TASS correspondent. [passage omitted covered by referent item] "If the fighters use weapons, our response will be an appropriate one," he said.

Abdul Bugayev did not clarify the date on which the operation to halt the unauthorized rally in Groznyy would be carried out. According to his information, Dzhokhar Dudayev paid "an inspection visit" to the southern part of the Chechen capital and went away "extremely disappointed at the lack of activity by those at the rally."

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The Chechen deputy premier believes that, in organizing the rally in Groznyy, Dudayev has the same objective as in 1991, namely the seizure of power. The government and Supreme Council of Chechnya are not going to relinquish their positions and return power to the culprits of the tragedy of the republic's multiethnic people, he stressed.

Russia: Chechen Militants Suffer 900 Casualties in Dec, Jan

LD0602230496 Moscow INTERFAX in English 1953 GMT 6 Feb 96

[FBIS Transcribed Text] GROZNYY, Feb 6 (INTERFAX) — The illegal Chechen armed formations lost about 900 men last December and January as Russia's federal forces carried out operations against Chechen militants in Gudermes (Chechnya) and in Kizlyar and Pervomayskoye (Dagestan), the press-bureau of the Russian Interior Ministry troops in Chechnya has said.

The federal forces are reported to have destroyed one tank, one mechanized infantry combat vehicle, two armored personnel carriers, two artillery pieces, one guided anti-tank rocket, eight mortars, three permanent strong points, seven fire emplacements, six ammunition storages, 52 motor vehicles, one observation post, two strongholds, one radio transmitter, one logistics base and three relay transmitters.

According to the press-center the federal troops seized one anti-tank grenade launcher, 120 portable anti-tank grenade launchers, 632 rounds for grenade launchers, three heavy machine-guns, 30 fire-throwers, 72 firearms, 2,117 shells, including 43 shells for GRAD multiple launchers, 14 anti-tank guided rockets, 375 mines, 1,045 cartridges, 47 kilograms of explosives, a space communication station, a radio transmitter, nine motor vehicles and 1.3 kilograms of drugs.

Russia: Skuratov on Kizlyar, Pervomayskoye Investigation

LD0502202096 Moscow INTERFAX in English 1649 GMT 5 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 5 (INTERFAX) — The investigation of the acts of terrorism and banditry in Kizlyar and Pervomayskoye is to establish, among other things, why the signals warning about the contemplated operation were neglected and how Raduyev's men had managed to reach Kizlyar, Russia's Prosecutor-General Yuriy Skuratov told reporters at INTERFAX's main office in Moscow Monday.

He said a strong investigation group, including the experts who had investigated rebels' attack on Budyonnovsk in June 1995, had been set up.

In answer to the question about channels through which weapons are supplied to Dudayev's militants, Skuratov said that the Prosecutor-General's Office is currently investigating only one instance of passing a large consignment of weapons by three officers serving in Dagestan. "The Prosecutor-General's Office has no information about other channels," said Skuratov.

He said he had "no reasons to reproach" the Russian special services for being slow in revealing such channels, because, he said, "our society has done a great deal to render these services unfit for work." Speaking about the factors that have had a negative impact on the special services, he named four attempts to reorganize them, the "exodus" of professionals from the special services, the elimination of the KGB's investigation department, and the breakup of the system of agents without which "no serious criminal case cane be investigated."

"We are the victims of the policies which we pursued," said Skuratov. "True, attempts are being made to revive the investigation department. But we need hundreds of experts. The system of agents will take decades to be created. Without agents we can't do anything in Chechnya, although special service and the Prosecutor-General's Office must undoubtedly work better," he said.

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CIS: Intra-Tajik Talks Stall Over Consultative Forum Idea

LD0602195996 Moscow ITAR-TASS in English 1905 GMT 6 Feb 96

[By Anna Kurbanova]

[FBIS Transcribed Text] ASHGABAT, Feb 6 (ITAR-TASS) — Intra-Tajik talks went into a stall over a consultative forum idea, although both the government and opposition delegations had admitted the need of forming a body which would embrace every political party and movement of the country.

The official stance was that the forum should be formed in a short run to have the work on a public consent declaration already under way this spring. The opposition insisted, however, that the document should be signed prior to having the forum convened.

United Nations mediator Ramiro Piriz Ballon who attended the talks said he had hoped that Tuesday's session would bring the sides closer. If this does not occur on Wednesday, Piriz will present the United Nations' own peace plan to the sides. In Piriz' words, the plan provides for creating conditions for the observance of a national reconciliation protocol signed by Tajik President Emomali Rakhmanov and opposition leader Said Nuri in August 1995.

CIS: Consultations on Disarmament Opens in Minsk

LD0702122596 Moscow Russian Television Network in Russian 0500 GMT 7 Feb 96

[From the "Vesti" newscast; report by correspondent L. Sviridov]

[FBIS Translated Text] [Video shows sitting in progress and interview in sitting room] A sitting of the joint consultative commission of the Commonwealth countries on disarmament has opened at the CIS HQ in Minsk. The main item on the agenda is linked to the implementation of the CFE Treaty.

[Begin recording] [K. Mikhaylov, identified as Russia's special envoy and head of the Russian delegation] For example, there is a problem of flank limitations, a problem with regard to the armaments transferred beyond the Urals prior to the signing of the treaty and some other problems, too. [end recording]

[Sviridov] The Belarusian delegation has initiated a further reduction in the conventional weapons in Europe. Incidentally, the republic has embarked on the last stage of the destruction of its equipment. This will require $12 million. Until recently, Belarus was the most militarized country in Europe, where there was a tank under almost every bush. Military experts are currently working on a model for comprehensive security in Europe in the 21st century. What is more, NATO's possible eastward expansion should not affect accords reached during the Soviet era.

[Begin Mikhaylov recording] However, NATO expansion will undoubtedly affect the subsequent actions, subsequent steps in modernizing the treaty. [end recording]

CIS: ITAR-TASS Carries Press Review for 7 Feb

LD0702065096 Moscow ITAR-TASS in English 0551 GMT 7 Feb 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] Moscow, February 7 (ITAR-TASS) — ROSSIYSKIYE VESTI reports about a session of the Russian Security Council due to begin today which will discuss issues of technological security of the country and financing the Defence Ministry and enterprises of the military-industrial sector. The Security Council will also discuss the situation in Chechnya.

IZVESTIYA carries an article entitled "Communists's Manouevres Increase Their Influence in the State Duma". "While the lawmakers were busy dividing seats of committee chairmen or held slow debates on the situation in the coal industry, leaders of the communist majority had promptly seized key parliamentary posts behind the scenes." The newspaper comments on attempts made by one of the leaders of the communist faction V.Kuptsov, to be appointed chief of the parliamentary apparatus with the subsequent goal to make the State Duma juridically and economically independent of the president's administration. In this case, Kuptsov might become the Duma managing director vested with real power, the newspaper said.

ROSSIYSKAYA GAZETA reports about the beginning of the withdrawal of Russian troops and hardware from the Dniester region. "First echelons carrying military hardware belonging to the Russian troops were sent from Tiraspol to a military base in the Moscow region," the newspaper said.

IZVESTIYA publishes a letter by a group of members of the Presidential Council which says that the president remains the main figure supporting democracy in the country and a guarantor of its constitution. The authors of the letter have expressed their disagreement with former members of the Presidential Council who had voluntarily withdrawn from it.

KRASNAYA ZVEZDA comments on the growing tension in Chechnya. "In recent days, crowds of people posing as participants in a rally, cars, buses and trucks

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had been moving into the city from Argun. The scenario is not a new one. First, groups of men numbering 15-20 each had been marching in front followed by groups of other demonstrators at an interval of half an hour. Pictures taken from a helicopter have clearly shown that the majority of civilians have not been heading for the city on their own free will. It is clear that under the pretext of social and political manifestations in Groznyy scattered groups of the opposition are trying to break through into Groznyy. The consequences are difficult to predict. Federal troops have been taking the necessary measures. Corresponding orders have been given to check points. Control over access to the area has been tightened."

IZVESTIYA comments on talks on the size of a tariff for the transportation of Russian oil via the "Druzhba" oil pipeline running across the Ukrainian territory. Russian representatives believe that demands made by the Ukrainian side to raise the tariff are unjustified. According to Russian experts, the tariff for the transit of one ton of oil across the Ukrainian territory worth 5.2 dollars introduced by Ukraine in January, 1996 is unacceptable.

KRASNAYA ZVEZDA criticises defects in the construction of a military compound in the settlement of Marinovka in the Volgograd region. The compound was built by the Korean "Samsung" company. Tenants who had recently moved into new houses have sent letters to the RED STAR complaining of poor engineering work and heat supply to some houses and school buildings.

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Russia: Arms Supplies to China Reportedly 'Insignificant'

LD0602150996 Moscow ITAR-TASS World Service in Russian 1401 GMT 6 Feb 96

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[FBIS Translated Text] Moscow, 5 Feb (ITAR-TASS) — The Russian Foreign Ministry takes into consideration the official explanations of the People's Republic of China's Foreign Ministry to the effect that the Chinese leadership has no plans to attack Taiwan, a highly-placed spokesman for the Russian Foreign Ministry told the ITAR-TASS correspondent today.

"We hope," the spokesman said, "that the Taiwanese question will be resolved peacefully through the negotiations which have already begun between continental China and Taiwan." He confirmed the Russian position that Taiwan is an inalienable part of China.

The Russian Foreign Ministry, the diplomat said, "is following the situation in the Taiwan [Formosa] Strait." "I do not think that continental China plans to attack Taiwan," he said, stressing that at the same time the Russian side bases itself on the official position of the Chinese leadership. All the rest, the Russian diplomat said, is "probably press speculation."

"We do not believe that arms supplies to continental China affect the situation in the region in any serious way," the spokesman for the Russian Ministry of Foreign Affairs said, pointing out that Russia takes into account the interests of its own security, its international obligations, and the balance of power in the region. "We do not believe that supplies of arms and military equipment from Russia upset this balance in any way and, on the whole, they are comparatively insignificant if one takes into account China's over-all capacity, its economic might," the diplomat said in conclusion.

Russia: Yeltsin Sends Condolences to China Over Earthquake

LD0602153996 Moscow INTERFAX in English 1423 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — Russian President Boris Yeltsin sent his condolences to Chinese leader Giang Zemin in connection with the devastating earthquake that claimed numerous lives in Yunnan Province, Russian Foreign Ministry spokesman Grigoriy Karasin said at a briefing in Moscow on Tuesday.

According to him, the Russian Emergencies Ministry has prepared humanitarian aid to be sent to the devastated areas after consultations with China.

Russia: Russian, U.S. Armed Forces, Combat Readiness Viewed

MM0602140496 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Feb 96 p 7

[Article by Vladimir Sviridov [not further identified]: "Notes by Russian 'Hawk': Pentagon 'Extorts' Another $25 Billion From Clinton for War. With Whom?"]

[FBIS Translated Text] It is obvious that people in Washington no longer see Russia and its Armed Forces as a real enemy. This is illustrated not just by the fact that the United States has stopped targeting its nuclear missiles against Russia but also by the fact that such exercises as "Red Flag"," Reforger," and dozens of others where the Soviet Union and its army were designated as the main enemy have disappeared from the U.S. Armed Forces' combat training plans.

The reason for the change is plain to see: Russia has lost its former military might. Admittedly, people in Washington are still obliged to take account of our nuclear weapons. But they have a very low opinion of the combat potential of Russia's nonnuclear armed forces. Whereas a few years ago Americans thought that it would take the Russians 12-18 months to restore their military might, today they are talking about decades.

Have the Americans relaxed now that they have lost their real enemy? No, no! The Pentagon thinks that Armed Forces personnel should always maintain a high level of combat readiness in order to secure victory over an enemy. That is axiomatic in a country which sees itself as the sole world leader.

The Pentagon's New Sparring Partner

That is why military specialists and observers paid increased attention to reports of two "military games" conducted in succession by the Pentagon. The Americans' main enemy here was...the Chinese Army.

That is extremely logical as far as the Pentagon is concerned. China today is not just a superpower with nuclear weapons. The country is implementing an independent foreign and domestic policy and can where necessary display its mettle (as happened, for instance, in the case of the Taiwanese president's invitation to the United States — Beijing exacerbated its relations with Washington and the Americans were ultimately the first to seek a means of resolving the conflict). It is also important that Beijing is displaying particular concern for its Armed Forces, equipping them with the most modern of arms....

During the first military games a splendid battle was set up between the Chinese and U.S. armies of the year

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2020. The Chinese were fighting with new-generation weapons and the Americans were using arms systems dating back to the time of Operation "Desert Storm." The second games featured a war in the year 2010: The U.S. Seventh Fleet tried to prevent mainland China's forces invading Taiwan.

In both "wars" the U.S. Armed Forces suffered a crushing defeat.

"Our aircraft carriers," the DEFENSE NEWS journal wrote in this connection, "were unable to get close enough to attack. The Chinese cruise missiles sank our surface ships and kept aircraft carriers at a distance."

Two conclusions suggest themselves. First: The Americans have picked a new sparring partner for their Army, one that is no weaker than their former Soviet enemy. Second: The Pentagon is seriously worried by the future prospects relating to the development of armed forces. Hence the deliberate way in which the leadership of the U.S. military department is overemphasizing the adverse results of the dummy battles.

You Cannot Use Common Sense As a Weapon

The Pentagon is inclined to take a pessimistic view of its potential. Unlike the Russian military leadership which regularly assures us: "The country's defense capability is high, the people's peaceful labor is reliably protected." It is not least because of this that Russian society has taken the view that the country is overmilitarized and that it is necessary to considerably cut back the army and military production. Fond statements are heard in unison from lofty rostrums: People say that Russia has no enemies and that no one poses a threat to it.

But what will happen in 10-20 years? Despite the general integrationist processes conflicts between countries are on the increase. The reality of the Cold War will be felt increasingly as NATO expands eastward. What about the "hot spots"? Many of them have flared up right next to Russia's borders. And extremely major difficulties have arisen when it comes to setting up collective security systems worldwide.

If the situation worsens on what can Russia rely? On politicians' common sense? The only argument that has always been used as the basis for ensuring any country's security is its might and its readiness to rebuff an aggressor. But even the present Russian Army is unable to perform that task. Particularly if you take into consideration the fact that its arsenals have virtually stopped receiving new weapons; that military pilots have flown fewer hours in a year on average than any driving school graduate has spent in a car; that ships have not put to sea for years and tank crews are not driving out to test ranges.

What can that kind of army do?

The Americans are well aware of all this. No one, incidentally really poses a threat to them. Nevertheless people in the United States take a pathological view of any reports of a reduction in their Armed Forces' combat readiness. Thus in late 1994 and early 1995 U.S. newspapers carried a series of articles devoted to the "decline" in the U.S. Army's level of combat readiness. They were based on the results of an inspection, which allegedly demonstrated that a number of U.S. Ground Forces formations had lost their previous might. Moreover troops stationed in Europe were allegedly in the "most lamentable" state.

General D. Maddoks [name and initial as transliterated], commander of a U.S. Ground Forces grouping in Europe, not only confirmed these findings but also cited additional facts. For instance, according to him, instead of the prescribed 800 "land miles" the crews of tanks and infantry fighting vehicles had notched up in 511 and 560 miles apiece in 1993 and 1994 respectively owing to inadequate funding.

The public became so indignant that U.S. Defense Secretary William Perry was forced to state that the Clinton administration is planning to allocate an additional $25 billion for the Armed Forces over the next six-year period. But even that did not satisfy the Congress: It immediately accused the U.S. President of underestimating the problem and voiced willingness to considerably increase Army funding. Legislators pressed for an additional $7 billion for the current military budget and they intend to increase the 1997 budget by $14 billion. These funds were required for large-scale programs to modernize and develop new generations of arms: Stealth bombers, low-noise attack submarines, vertical take-off and landing tilt-rotor aircraft, precision weapons....

The Pentagon is also developing a fundamentally new means of troop basing. For this scientists are creating kind of huge floating islands that will be able to carry aviation, tanks, and large subunits of mobile forces. Each of these islands will consist of six modules with an independent support system and its own combat function: command post, fuel compartment, arsenal, airborne unit base.... The modules will be taken independently to a base anywhere in the world at a maximum speed of six knots. On reaching their destination the modules will be assembled into a "floating island" controlled by powerful computer systems. It is thought that these islands will be more economical and less vulnerable than the aircraft carriers, which they are subsequently designed to replace.

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The Congress decision to develop a large-scale ABM system is also put down to the U.S. desire to secure total military superiority worldwide. The idea was put forward by Ronald Reagan at the height of the Cold War. But in response to public pressure these plans were put on ice. It is now during the general "thaw" that U.S. legislators are demanding that work to develop these arms be stepped up (incidentally, in violation of the ABM Treaty, which bans the United States and Russia from having antimissile defense systems on the scale of the entire country).

Russia Has No Future Without a Strong Army

The time for verbal skirmishes about what kind of army Russia needs is long gone. According to independent experts, Russia's "window of security" covers just 10-15 years. In that time the kind of army must be created that can guarantee the country's security from all directions.

What do I think should be done first? First and foremost, the Russian public must be aware that Russia has, and will continue to have, enemies and a strong rather than a "small," "limited" army will be required to defend it against them. Second, it is necessary to delay — without abandoning it altogether — the process of eliminating and restructuring strategic nuclear weapons, which are essential as a factor for containment and deterrence while a normal army is being developed. Third, this must be carried out with an eye to the most serious enemy, as the Americans are doing.

Are these unpopular slogans? The alternative is that Russia has no future.

Russia: U.S. Attitudes to Russian Political Progress Eyed

MM0602160296 Moscow ROSSIYSKIYE VESTI in Russian 6 Feb 96 p 3

[Report by Ilya Baranikas under the rubric "In the Mirror of the Foreign Press": "America Treats Russia With 'Cautious Understanding'"]

[FBIS Translated Text] New York — Ours is not one of those countries whose existence the U.S. mass media recalls only from time to time. There have been an especially large number of items devoted to Russia in the press in recent times — the reason for this was the visit to the United States of Russian Prime Minister Viktor Chernomyrdin to take part in the sixth session of the "Gore-Chernomyrdin Commission" — the Russian-U.S. commission on economic and technological cooperation. The Russian premier arrived in the United States shortly after a whole series of events that riveted the attention of the whole world — the seizure of hostages in Dagestan, in Chechnya, and on the Turkish ship, the results of the Russian State Duma elections, and the cadre reshuffles in the Russian Government.

On the opening day of the session (29 January) THE NEW YORK TIMES wrote in a leading article that "President Clinton faces the delicate and difficult task of determining future relations with Moscow. The days of bear hugs and political partnership with the Russian leader are a thing of the past." This untypical article for THE NEW YORK TIMES (the newspaper usually supports U.S.-Russian cooperation) goes on to speak about "Yeltsin's retreat from the path of economic reforms," as revealed, in particular, by the appointment of Vladimir Kadannikov as first vice premier. "Mr. Kadannikov...advocates increased state subsidies for unprofitable enterprises, which could lead to the printing of new money by the Central Bank, and, as a result, to a new deadly spiral of inflation" the leader's anonymous author indicates. In connection with this, the article calls on the IMF to defer a $9-billion IMF loan Russia and not to hurry to agree to a further rescheduling of Russia's debts.

However, this call from New York remained unheeded in Washington. As soon as Viktor Chernomyrdin, having arrived in the U.S. capital 29 January, had been installed in the "Blair House" residence opposite the White House and the sessions of the joint commission had begun, its second cochairman — U.S. Vice President Albert Gore — at once gave to understand that, while there are indeed problems in relations between America and Russia, "these problems can be resolved in a calm atmosphere by purposeful efforts worthy of our two great states." On the following day, on which V. Chernomyrdin had a meeting with U.S. President Bill Clinton, the master of the White House spoke in still more definite terms, saying that he believes in Russia's progress down the path of reforms, and expressing himself in favor of the IMF's granting Russia the $9 billion loan. This will be the largest such loan to Russia — the IMF has previously granted our country $6.5 billion.

Although, as a U.S. State Department spokesmen put it in conversation with me, America is treating Russia with "cautious understanding," it is undoubtedly committed to cooperation with our country. Since it was set up in 1993 the "Gore-Chernomyrdin Commission" has held six sessions, as a result of which around 120 agreements, contracts, and other documents on cooperation have been elaborated. The documents signed on this occasion concern our two countries' collaboration in such spheres as environmental protection, space research, power engineering, the timber industry, taxation, the battle against crime, and so forth. The commitment to cooperation is mutual: As Viktor Cher-

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nomyrdin said, "the idea of commercial partnership with the United States has firmly taken root in Russia"; the trade turnover between our countries has risen by 25 percent, and now states at around $7 billion.

But not everything is running smoothly in the two countries' relations. Viktor Chernomyrdin, having reassured the Americans as to the irreversibility of Russia's reforms, spoke about the serious problem of increasing the access of Russian commodities to U.S. markets, and gave to understand that Russia would reply to this in kind. It should be a question, he said, "precisely of partnership, not of some kind of favor." In this respect USA TODAY writes of the Clinton administration's intention to meet Russia half way and to lift the ban on importing Russian firearms — this ban had been lifted in 1992, but was reintroduced in 1992, when the import of arms from Russia reached 400,000 units per year, and the U.S. arms lobby put heavy pressure on the White House.

One more example of disagreement: The U.S. side complains of the prevalence in Russia of "intellectual piracy," losses from which amount to $800 million, and demands the closure of kiosks trading in "pirate" audio and video cassettes, compact disks, and so forth. Russia answers that it is also losing $500 million because of the lack of protection of its intellectual property abroad.

There are many disputes, but, happily, agreement nevertheless predominates.

Russia: Karasin Views Activities in Former Yugoslavia

LD0602214396 Moscow INTERFAX in English 1915 GMT 6 Feb 96

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] The Russian and Yugoslav Foreign Ministries will hold consultations in Belgrade at the end of February, Karasin said.

The implementation of the Paris agreement proceeds satisfactorily, he added. Karasin also said that a permanent Russian legation is starting work in Sarajevo.

Russia's Vladimir Chizhov has started work as U.N. deputy high commissioner while Vladimir Ivanov has been appointed deputy head of the OSCE [Organization for Security and Cooperation in Europe] mission in Bosnia.

Aleksandr Aksenyonok, a Russian special envoy, will have a meeting with Jean Klein, head of the U.N. Provisional Administration for Eastern Slavonia, in Zagreb in mid-February.

Also in Zagreb the Russian-Croatian inter-governmental committee on economic and technological cooperation will hold its first meeting in February, Karasin said.

Russia: Airborne Forces Commander Arrives in Tuzla

LD0602223396 Moscow ITAR-TASS World Service in Russian 1419 GMT 6 Feb 96

[by ITAR-TASS correspondent Ivan Ivanov]

[FBIS Translated Excerpt] Tuzla (Bosnia-Herzegovina), 6 Feb (ITAR-TASS) — Despite the very bad weather conditions, the aircraft carrying Colonel-General Yevgeniy Podkolzin, commander of Russia's airborne forces, landed today at the aerodrome of the north Bosnian town of Tuzla. On the previous day, the commander's inspection visit which he had previously planned to make on Monday to the Russian brigade which is part of the Bosnia Implementation Force [IFOR] was postponed for 24 hours, because of heavy snow and ice on the runway.

Ye. Podkolzin intends to acquaint himself with the Russian brigade's deployment and their conditions for fulfilling their peacekeeping functions. The brigade is composed of units from the Ivanovo, Kostroma, and Pskov divsions of the airborne forces. Podkolzin will also meet the commander of the U.S. 1st Armored Division under whose operational and tactical control the Russian paratroops are serving in Bosnia. On Wednesday Colonel General Ye. Podkolzin will have a meeting at Tuzla aerodrome with Russia's Defense Minister P. Grachev who, on 7 February, will also make a visit of inspection to the Russian peacekeeping brigade and on 8 and 9 February will pay an official visit to Belgrade. [passage omitted]

Russia: Military's Role in Bosnia Cooperation Lauded

MM0602134896 Moscow KRASNAYA ZVEZDA in Russian 6 Feb 96 p 3

[Article by Candidate of Historical Sciences Dmitriy Trenin: "Give the Military a Chance! Their Cooperation Is Already Making a Tangible Contribution to the Development of Russia's Relations With the West"]

[FBIS Translated Text] The Moscow visit by U.S. General Joulwan, NATO supreme allied commander Europe, brought to mind a simple and well known truth: Usually the military find it easier than politicians to find a common language. Army officers, even when confronting one another, almost instinctively feel a sense of

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mutual respect. This corporate feeling among the military professionals is in sharp contrast with mutual relations between diplomats and especially between politicians. This is why cooperation in the military sphere can at times produce serious advancement in political relations. An example of this can be seen in the collaboration between Russia and NATO as regards the peaceful settlement in Bosnia.

The development of Russia-NATO relations over the last 2.5 years has not been especially successful at the political level. The problem of the alliance's eastward expansion. the arguments about Russia's status within the framework of its partnership with NATO, the abundance of declarations, and the shortage of practical collaboration — all this indicated a shortage of political will and of a clear strategic perception of the situation at the highest echelons of power. And the statesmen's practical steps have more often than not been determined by domestic political maneuvers whose purpose has been anything but the development of cooperation.

Training for the joint operation on the implementation of the Bosnia agreements started in these conditions. Moreover, nobody has yet forgotten the events which preceded the conclusion of the agreements — the NATO Air Force strikes against Bosnian Serb positions, the elimination of Serb Krajina by the Croats, and the large-scale offensive by the Muslims. But Russia made the decision to join the Implementation Force [IFOR]. This was certainly not done because of some desire to help NATO out, but because Russia's leadership felt that the absence of the Russian Federation in the Balkans, especially in the wake of the United Nations' withdrawal from there, would strengthen NATO's positions in this region. And even more, it could transform NATO into a force capable of single-handedly resolving all fundamental problems of European security. Such a turn of events would have been fraught with the gravest of domestic consequences for the Kremlin.

It cannot, of course, be forgotten that the stakes in Bosnia are exceptionally high. Many people, both in Russia and the West, who have advocated the development and strengthening of relations between the Russian Federation and the United States and between the Russian Federation and NATO, have repeatedly pointed out that Bosnia is not the best test ground for testing out the partnership formula. Nonetheless, and despite their fears, cooperation between Russia and NATO within the IFOR framework is gathering pace. Gen. Joulwan emphasized that he is proud to be the first supreme allied commander in NATO's history to have a Russian general as his deputy. The fact the Russian military at NATO headquarters enjoy the attention and respect which they do not always receive at home is also indicative.

Thus, at a time when the Ministry of Foreign Affairs found itself politically paralyzed due to the uncertainty about Minister Kozyrev's future, the Ministry of Defense and the General Staff implemented the president's instructions in the best possible way. Their support for the IFOR idea placated, at least for the time being, the most vociferous "home critics" of cooperation with the West who prefer to build up political capital on the strength of anti-Americanism.

Now that the operation is under way, much will depend on the military. Let them work with as free a hand as possible — within the parameters of their set task. Professional training and the very logic of collaboration will force them to seek ways to attain their set objective. The fact that preference is given to the objective rather than to the instructions is one of the true military's most valuable qualities. Of course, complications and problems, quite acute at times, cannot but emerge in the process of contacts between Russian and NATO servicemen. But the readiness to work on resolving them would help create the positive dynamics which relations between Russia and the West so badly need.

IFOR could also become a catalyst for broader military-political cooperation. It is taking place right now, and beyond Bosnia's borders — at NATO headquarters in Brussels, at Supreme Headquarters Allied Powers Europe in Mons, and at the Combined Air Operations Center in Vicenza. True enough, so far it has not gone beyond chances and opportunities. They could, of course, be missed. In any event, however, it must be borne in mind that Russia's relations with the West will develop only provided this process is backed by the Russian military. The opposite is also true: Cooperation between the military could advance much further the solution of a truly pressing historic task — the attainment of mutually advantageous and large-scale cooperation between our country and the Western world.

Russia: France Seen Seeking Role as NATO-Russia 'Link'

MM0702122296 Moscow KRASNAYA ZVEZDA in Russian 7 Feb 96 p 3

[Article by KRASNAYA ZVEZDA observer Aleksandr Golts: "France: Betrayal of De Gaulle's Principles, or Their Realization?"]

[FBIS Translated Text] The leitmotiv of all the statements by official NATO representatives recently is the idea that although the bloc's expansion is inevitable, it will certainly not happen soon (the conference on European security problems that has just ended in Munich

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was particularly rich in such statements). As far as the East European states are concerned, that obviously corresponds to reality. However, the NATO military organization has a chance of expanding its sphere of activity even without the participation of candidates from Central and Eastern Europe. This has become possible since early December last year, when official Paris declared its readiness to join the military organs of the North Atlantic bloc. In the course of two months these political declarations have begun to be filled out with real content. Thus, there is already talk of participation not only in the work of the bloc's military committee, but also in the nuclear planning group.

The mass media are trying to outdo one another in saying that President Chirac has betrayed the principles of his political idol General de Gaulle. "Since the time De Gaulle gave the order in 1966 for France's withdrawal from the bloc's military structures," Paris' LE MONDE writes, "no French government has discussed the subject of nuclear forces in Brussels." With Jacques Chirac's arrival in the Elysee Palace, a clear trend away from this line has emerged.

What is the reason for such radical changes in France's foreign policy? In the view of some observers, the reason lies in the fact that France's military-political leadership has become convinced of the futility of trying to ensure their own security outside NATO. Paris is skeptical about the effectiveness and potential of the Western European Union, in which France is one of the key players and which, according to its founders, was supposed to ensure the continent's security. The Eurocorps, which unites French and German subunits, was, despite its declared "operational readiness," not enlisted to take part in the peacekeeping operation in Bosnia. Although one of the tasks of the Eurocorps, as has been stated repeatedly, is to carry out peacekeeping operations on the continent. However, the organizers of "Joint Endeavor" obviously reckoned that using the Eurocorps would require excessively complex procedures.

If these arguments are correct, Chirac's recent visit to Washington should have been the return of the French "prodigal son" to the NATO paternal home. However, the speech by the Elysee Palace incumbent to the U.S. Congress was more of a challenge than a repentance. Jacques Chirac did not, of course, forget to say a few words of gratitude to the United States, which liberated France from Hitler's occupation. He also paid due tribute to the U.S. role in postwar Europe over half a century. But, while saying that France was, is, and will be America's ally, he stressed that this is possible only on the basis of common rights and commitments. Here he noted that French and American interests by no means always coincide. Chirac was at pains to point out that Paris has been responsible for the most constructive ideas in the cause of the Yugoslavia settlement, such as the idea of setting up the Contact Group on Bosnia. And Chirac interpreted the present peacekeeping operation in Bosnia as a manifestation of NATO's new functions in radically altered conditions.

However, the main point of Jacques Chirac's speech is his interpretation of NATO reform. The reforms, in the French president's view, should give European states the opportunity to ensure their own security in circumstances where the United States would not wish to take part in combat operations on the continent. Here you would have to be blind not to see the reference to the isolationism among some U.S. politicians, exacerbated since the end of the "Cold War." Let us not forget that President Clinton had some difficulty achieving the dispatch of U.S. troops to Bosnia. And France is clearly seeking to exploit these trends.

This is indicated, in particular, by Paris' statement on the readiness of the French nuclear forces to extend their umbrella to the European NATO countries. True, these last were less than delighted: The proposal was greeted with marked coolness in both London and Bonn.

Once, three decades ago, De Gaulle saw that the "Cold War" would inevitably lead to confrontation between the two superpowers and their subjugation of the states belonging to the Warsaw Pact and NATO. In this situation De Gaulle chose another path for France: While of course being in the Western camp all those years, Paris was nonetheless an absolutely autonomous part of the U.S.-Soviet balance. But now the USSR is no more, and the United States remains the sole superpower, laying claim to world leadership.

In my view, in these circumstances Chirac is basically proposing a new balance: United States — united Europe — Russia. Of course, the outward form of this balance would be, on the one hand, the future Transatlantic Charter which Chirac is proposing be elaborated. And on the other hand, the reform of NATO will, according to Chirac, be possible only in the event that Russia is offered a place appropriate to that great power. It was no accident that at that same Munich conference the French defense minister came out in favor of the signing of a special security treaty between the North Atlantic alliance and Russia.

As we see, the present French leadership, far from betraying De Gaulle's principles, is consistently applying them in the existing circumstances. By putting France forward for a leading role in a united Europe and the link between the West and Russia, it is seeking a more significant position in the international arena.

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Russia: Kokoshin Remarks on Opposition to NATO Enlargement

MM0702112296 Moscow KRASNAYA ZVEZDA in Russian 7 Feb 96 p 1

[ITAR-TASS/Own Information report: "Russia's Position Is Unequivocal: It Is Opposed to NATO Expansion Eastward"]

[FBIS Translated Text] First Deputy Defense Minister Andrey Kokoshin addressed the 33d Munich conference on European security problems held 3-4 February. He stressed the unacceptability of NATO expansion eastward for Russia and for the interests of European security as a whole. The Russian state position in this respect is unequivocal and is completely in keeping with the views of the majority of the country's population.

This does not mean, however, that Russia rejects normal, constructive, and genuinely equal relations with all NATO members, including the United States, Germany, and France. Kokoshin also advocated the strengthening of Russia's relations with the countries of Central and Eastern Europe. NATO must not substitute itself for a European security system, in safeguarding which such organizations as the OSCE, [Organization for Security and Cooperation in Europe], the WEU [Western European Union], the Council of Europe, the CIS, and others are called upon to play an important role.

The first deputy defense minister criticized Western countries for the fact that many of them are not reducing the scale of military preparations to the same extent as Russia and a number of other Central and East European countries.

FRG Chancellor H. Kohl, Defense Ministers V. Ruehe of the FRG, W. Perry of the United States, and C. Millon of France, and others participated in the conference.

The debate on European security issues showed that, despite the official position, a considerable number of people among the leaders of the NATO countries and West European (particularly German) and American politicians doubt the advisability of NATO expansion.

Russia's firm position on the nonexpansion of NATO has already yielded certain fruit. It is stimulating differences on this question in political circles in Germany, France, and other countries.

Russia: ABM, NATO Factors in Ratifying START II Reported

LD0602131296 Moscow INTERFAX in English 1134 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 5 (INTERFAX) — During the debate on ratifying the START-2 treaty Duma members should take into account the prospects of observation of the ABM treaty by the sides and the possible NATO enlargement to the east, a high-ranking official from the General Staff of the Russian Armed Forces told INTERFAX.

He said START-2 keeps up nuclear parity between Moscow and Washington, reduces the nuclear threat and guarantees Russia's national security.

However, Moscow is alarmed by the approach of the U.S. congress that has favored the development of a national anti-ballistic missile defense system. "Such moves contradict the ABM treaty and can provoke another round of the arms race," he said.

The official believes that the ABM treaty must be confirmed by the legislative bodies of both countries. "This can possibly require additional consultations between Russian and U.S. lawmakers", the general said.

On the determination of the USA to advance its anti-missile defence he said that on the whole the system does not contradict the ABM treaty but Russian and U.S. experts have not reached agreement yet about the distinctive features of strategic and tactical anti-missile defense systems. "It is a difficult job but a clear line between the two systems must be drawn", he said.

The General Staff spokesman believes the main criteria should be the impossibility of destroying strategic missiles and warheads by tactical defense means.

Besides, the general said, Moscow is concerned about the possible expansion of NATO to the east. "No matter how good the proclaimed intentions are, the approach of the North Atlantic alliance to our borders creates certain tension in relations between Russia and NATO", the general said.

Russia is especially alarmed by the readiness of several potential members of the alliance in Eastern Europe to station NATO tactical nuclear weapons in their territory. "Moscow can view these nuclear weapons as strategic because if stationed in the immediate vicinity of our border they are capable of hitting targets in Russia," the general said.

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Russia: Lukin on Primakov, START II, NATO Expansion

MK0602140296 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 6 Feb 96 p 2

[Unattributed interview with Vladimir Lukin, a "Yabloko" faction leader and chairman of the Duma International Relations Committee; place and date not given: "'A Couple of Beefsteaks for Our Democracy Would Not Be Out of Place'"]

[FBIS Translated Text] [MOSKOVSKIY KOMSOMOLETS] Now you are for the third time the chairman of a prominent parliamentary committee and not even once a minister. Did you never wish to become the country's prime diplomat?

[Lukin] This talk has been going on continuously for six years now. In 1989 I rejected the idea because the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet was a reality, while the RSFSR Foreign Ministry was a phantom. In connection with Kozyrev's resignation, I knew that my candidacy was on various lists submitted to the president, but there were no concrete proposals.

As for Primakov, I did not think that his appointment was likely. I supposed that the work he was doing was no less important. And if the president thinks that he is not coping.... But I think that the president's choice is well-advised. Primakov is an experienced and well-informed person.

[MOSKOVSKIY KOMSOMOLETS] It is believed that nobody wanted to accept this post because there will be a new president in six months and a new [foreign] minister will be appointed.

[Lukin] I do not think that Primakov will stay in this post for [just] six months. First, his previous career shows that his survivability is very high. Second, he is not 40, and this option will not be a tragedy for him.

[MOSKOVSKIY KOMSOMOLETS] What do you think about his debut?

[Lukin] His first steps were quite effective. He made an effective trip and reached an effective agreement: There are no serious grounds for criticism. Perhaps he should not have talked about ratification of START II in the foreseeable future. Some saw this as pressure on the Duma.

In the disarmament sphere, it is necessary to clarify our interests. It is necessary to clarify whether or not this is beneficial for us. A low armament level is beneficial for us. Unfortunately, many do not understand this and believe that a refusal to ratify START II will positively impact on the presidential election. In parliament, I have to convince people who consider themselves ultranationalists but who do not understand what national interests are all about. Yet I think that I, Primakov, and General Sergeyev, the Strategic Missile Forces commander, whom it is difficult to suspect of being unpatriotic, will manage to persuade parliamentarians to ratify the treaty.

[MOSKOVSKIY KOMSOMOLETS] START II will not affect the voters' preferences either way, but is there anything that will?

[Lukin] The president could raise his chances in the election by making headway in settling one or two conflicts. Until now democracy has been rather a rhetorical affair. What is missing on this plate is a couple of beefsteaks. Possibly, this will be Chechnya, Georgia, Abkhazia, Nagorno-Karabakh, or the Black Sea Fleet.

In general, though, foreign policy does not heighten the rating of any political party. Kozyrev "burned" precisely because he had set himself the task of boosting the president's rating. It is difficult to use the issue of, say, the Black Sea Fleet in the election campaign. In effect, this is not the most important military problem. But from the historical point of view, it is psychologically very important for us and very sensitive also for Ukraine, with its mentality of sharpened vigilance. Therefore, any compromise will be seen as failure by each side.

What is to be done? Deng Xiaoping said about the Japanese-Chinese conflict, "We will try to settle it, but if we fail, this will be done by our children, who will be wiser than us." Only this course will lead to success.

[MOSKOVSKIY KOMSOMOLETS] Should the United States remain the main priority of our foreign policy?

[Lukin] This depends on the sphere [of activity]. In disarmament and space, the answer is positive, but in other areas, negative. Much depends on America. But the Kozyrev option must not recur. "Call us a great power, and we will pretend to be on an equal footing with you." Where we have no interests for the simple reason that we have no base there, we cannot be on an equal footing. This is Africa, Latin America, and the Near East. Kozyrev did not make a bad showing; he created the impression of a can-do man, which actually he was not.

But if America wants to dictate to us and act as an intermediary in Russia's relations with the CIS countries, we must say firmly that these are our interests and that they should keep within their limits. In Eastern Europe, there is also a possibility of being on a par

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with America. We should take this position without any hesitation.

But we should act selectively, very economically, without encumbering ourselves with trifles or regions which we cannot handle. In the regions where it can be effective, this position should be concentrated and well-coordinated. In the past this was often hindered by the lack of coordination on the part of our departments. I am glad that Primakov went on his first visit to CIS states as part of such a team. To a large extent, Andrey Kozyrev's failures came from his inability to command respect. Unfortunately, the executive branch in Russia is so organized that personal relations affect politics.

[MOSKOVSKIY KOMSOMOLETS] A consensus has emerged in the Russian leadership that NATO enlargement must be prevented at any price. And your voice is not the least here. Are you really afraid that they will attack? Does this keep you awake at night?

[Lukin] Imagine yourself walking down a street late at night and seeing a group of well-armed men. You have an unpleasant feeling and you do not know whether they want to attack you or not. You do not know what decision they will make with respect to you, and there is no way you can influence the situation. The same thing happens when a large military machine comes close to your borders while you are not admitted into this system. There are two possible options: Either you become part of this bunch or you take measures so that you do not have to mess with them. Intentions often change; what is important, though, is the balance of forces. There is even a belief that we were admitted to the Council of Europe in order to sugarcoat the pill of NATO expansion.

[MOSKOVSKIY KOMSOMOLETS] Why then should Russia not join NATO first thing tomorrow?

[Lukin] This has never been offered to us. Discussion has been confined to the level of private talk. Incidentally, the recent aggravation of the Greek-Turkish conflict shows that the argument that "admission to NATO castrates aggressiveness" is farfetched.

Russia: Conditions 'Not Yet Right' for Ratifying START II

LD0602222796 Moscow ITAR-TASS World Service in Russian 1452 GMT 6 Feb 96

[by ITAR-TASS corresspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 6 Feb (ITAR-TASS) — The necessary socio-political conditions in Russia for the ratification of the START II treaty are not yet right. This is the conclusion reached by the members of the State Duma's Defense Committee after preliminary discussion of the question. It was announced by Air Force Major General Nikolay Bezborodov, the committee's deputy chairman. He told an ITAR-TASS correspondent today that the Russian public is concerned about the consequences of NATO's eastward expansion, the situation in the Balkans, and the North Atlantic military-political bloc's endless military exercises in European countries, in close proximity to Russia's borders. This anxiety on the part of voters causes legislators to adopt a cautious attitude toward ratification of the treaty and to take full account of the geopolitical situation in the world.

Actual ratification would not, according to the general, mean that Russia is able to implement all its provisions. The economic situation within the country provides no grounds for claiming that the armaments destruction plan would be carried out smoothly and on time. Any failure by the state, even one forced upon it, to meet its commitments would, he thinks, belittle its authority, and this cannot be allowed to happen.

Nikolay Bezborodov, deputy chairman of the State Duma's Defense Committee, does not share the view of those who think that the START II treaty can be ratified in a modified form. This would, according to him, make it necessary to draft an essentially new text for the agreement, which would require long months of painstaking work by many specialists and departments.

The general sees the way out of the situation as lying not in any acceleration of the process of preparing the treaty for ratification, but in an analysis of its key provisions. For this purpose, the document must have an expert endorsement by the General Staff of Russia's Armed Forces, the Foreign Ministry, and other departments responsible for ensuring Russia's national security, Nikolay Bezborodov said.

Russia: UN Envoy Ekeus Tells of Iraqi Weapons Development

MM0702105596 Moscow IZVESTIYA in Russian 7 Feb 96 p 3

[Report by Elmar Guseynov: "UN Illustrious Envoy Comes To Stagger Moscow by Disclosing Iraqi Secrets"]

[FBIS Translated Text] Were it not for the actions taken by the international coalition's armed forces in the Persian Gulf and for the United Nations' subsequent pressure, Iraq might have had at least one unit of nuclear weapons by late 1991. By this we mean a weapon and a delivery vehicle — a missile with a range of 900 km.

Your IZVESTIYA correspondent was told this by Rolf Ekeus, chairman of the UN special commission for

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the inspection and destruction of Iraqi mass-destruction weapons. Ekeus came to Moscow for routine consultations with the Russian leadership on the Iraq problem. During the visit the chairman of the UN special commission met with our country's First Deputy Foreign Minister Igor Ivanov and Deputy Minister Viktor Posuvalyuk, as well as with Vladimir Lukin, chairman of the State Duma Committee for International Affairs.

It is hard to overestimate Rolf Ekeus when it comes to resolving the Iraqi crisis. It is on the basis of his reports that the UN Security Council decides every month whether to retain or lift the economic embargo against Baghdad.

According to Ekeus, today despite the tremendous progress that has been made in cooperation with the United Nations it is hard to say that the Iraqi authorities are sincere about revealing their mass-destruction weapon development programs. Although even the secrets that Baghdad has already disclosed are staggering in scale. Thus, Iraq produced and fitted its missiles with biological weapons — anthrax agents and dread botulism toxins.

Extended-range missiles were developed, which are capable of delivering warheads up to 2,000 km. Cities like Paris, Rome, or Moscow came within range. Work on the development of nuclear weapons neared completion for which French and Soviet fissionable materials were used along with gas-centrifuge uranium enrichment technologies.

According to Ekeus, the flight from Iraq last August of Saddam Husayn's relative and immediate associate General Husayn Kamal was of tremendous assistance in the commission's work. The panic in Baghdad forced the Iraqi official authorities to hand over unique information regarding their plans for the production of the most formidable arms without waiting to hear the fugitive's revelations.

Ekeus avoided answering when asked how soon the sanctions against Baghdad can be expected to be lifted. He only stressed that this will not happen before there is confidence that all Iraq's military programs have been completely disclosed. In that event the relevant information will be conveyed to the UN Security Council immediately. But right now there is no such confidence.

However, there is every indication that official Baghdad has decided to accept the UN proposal for oil worth $1 billion to be sold every three months under strict UN control in order to provide the Iraqi population with food and medicine.

Russia: Foreign Ministry Welcomes Iraq's Move Toward UN

LD0602151696 Moscow ITAR-TASS World Service in Russian 1430 GMT 6 Feb 96

[By ITAR-TASS diplomatic correspondent Aleksandr Zhudro]

[FBIS Translated Text] Moscow, 6 Feb (ITAR-TASS) — The Russian Foreign Ministry welcomes Iraq's decision to start contacts with the UN Secretariat with regard to a mechanism for implementing Security Council resolution 986, which gives Iraq the opportunity to export a limited quantity of oil and to purchase humanitarian goods with the revenue earned.

Grigoriy Karasin, director of the information and press department of the Russian Foreign Ministry, said here today that this decision by Baghdad is "a step in the right direction". "We are hoping for a positive outcome to the consultations that have begun," he added.

According to the high-ranking Russian diplomat, implementation of UN Security Council resolution 986 "would help to ease the humanitarian situation in Iraq which has been causing increasing concern among the international community." At the same time, Grigoriy Karasin stressed that the lifting of all sanctions against Baghdad and the full easing of the situation with regard to Iraq are possible only through fulfillment of the demands also contained in other Security Council resolutions adopted in response to Iraq's invasion of Kuwait in 1990.

Russia: Moscow Begins Fulfilling Iran Nuclear Contract

LD0602154096 Moscow INTERFAX in English 1423 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — Russia began to fulfill its contract worth $800 million with Iran for concluding the construction of the first power unit of the nuclear power station in Bushehr in southern Iran, head of the Public Relations Department of the Russian Nuclear Energy Ministry Georgiy Kaurov told INTERFAX on Tuesday.

Since the Russian-Iranian contract went into effect on January 12, he said, Russia is obliged to conclude all construction, assembly and fitting works, and make the VVER-1000 reactor ready to be put into operation within 55 months. Iran has already begun to finance the project, Kaurov said.

At present Russian specialists are continuing to examine the technical condition of the station, the construction of which was started by Siemens of Germany. Siemens

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stopped construction works in Bushehr on instructions from the German government in 1979. The examination will be concluded by April or May, and technical conclusions will be submitted to Iran. Subsequently equipment needed for concluding the construction of the nuclear power station will begin to be supplied, Kaurov said.

A Russian delegation will go to Iran in the second half of this month to discuss a number of technical and economic problems with Iranian officials.

The contract for concluding the building of the station's first power unit was signed in 1995. Under it the station will have four power units: the 1st of 1000 megawatts capacity, the 3rd and 4th of 440 megawatts. The capacity of the 2nd power unit has not yet been defined.

In the meantime the Russian Nuclear Energy Ministry intends to train specialists in Russia to run Iran's nuclear power station. It is believed that they will study at the training center of the Novovoronezh nuclear power station located 42 kilometers from Voronezh.

Russia: Germany Offered 200 Mig-29 Aircraft To Pay Debt

LD0602184696 Moscow Russian Television Network in Russian 1700 GMT 6 Feb 96

[From the "Vesti" newscast]

[FBIS Translated Text] According to the ARGUMENTY I FAKTY news agency, Russia has offered Germany 200 Mig-29 aircraft in exchange for reducing its debt by $2.5 trillion. Western specialists see the Mig-29 as the best aircraft for close-range combats.

Russia: Russian Discrimination in Latvia Worries Moscow

LD0602214296 Moscow INTERFAX in English 1953 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — The continued discrimination against the Russian-speaking population in Latvia worries Moscow, Grigoriy Karasin, the official spokesman for the Russian Foreign Ministry, said at a briefing in Moscow Tuesday.

Karasin said that Russia made this known to Latvia in bilateral consultations attended by Russian Deputy Foreign Minister Sergey Krylov and Latvian Foreign Ministry's Secretary of State Maris Riekstins.

The Russian negotiators made it clear, Karasin continued, that the scale of the Russian-Latvian ooperation, notably in the field of trade and economy will depend to a decisive degree on the observance of the rights of Russians in Latvia, an essential issue for Russia.

Karasin also said that Riekstins sent an invitation to Russian Foreign Minister Yevgeniy Primakov to visit Latvia.

Russia: Karasin Criticizes 'Anti-Russian' Act by Estonia

LD0602161696 Moscow ITAR-TASS in English 1606 GMT 6 Feb 96

[By Vladimir Suprun]

[FBIS Transcribed Text] MOSCOW, February 6 (ITAR-TASS) — Russian Foreign Ministry spokesman Grigoriy Karasin described as an open anti-Russian action the treatment of Petr Rozhok, a Russian seeking reunion with his family in Estonia.

Rozhok, who appealed for the reunion with his family living in Tallinn, has been refused it in a recent court hearing.

Karasin said this move was "another step in political persecution" of Rozhok, who is the chairman of the Tallinn union of Russians. He was deported from Estonia in the spring of 1995 on charges of "anti-constitutional activities." Rozhok returned to live in Estonia, to experience repeat deportations.

Karasin said the recent "court show" in Tallinn was another step in Estonia's setting up a "law base" for persecutions of politically active Russian residents of Estonia.

The Foreign Ministry official warned that Russia "reserves the right of adequate return acts."

Russia: Officer Arrested for Spying for Norway's Ecologists

LD0702103496 Moscow ITAR-TASS in English 1014 GMT 7 Feb 96

[FBIS Transcribed Text] ST. PETERSBURG February 7 (ITAR-TASS) — A retired officer of the Russian Northern fleet was arrested by the St. Petersburg security service and charged with spying for the Norwegian Bellona environmentalist non-government organisation.

TASS learned from well-informed sources on Wednesday that Aleksandr Nikitin, 43, had been accused of "treason in the form of espionage" which envisages a punishment from ten years in jail to a death sentence.

Retired Captain 1st rank Nikitin is a nuclear fleet expert and has worked for the Bellona of late. Last October security officers confiscated the files of the organisation

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in the northern city of Murmansk on suspicion that they contained secret data on the Northern fleet. Apartments of Russian staffers of the organisation were searched.

However, security officers said at the time they had no claims to Bellona itself and stressed they were only investigating whether Russian citizens had disclosed any state secrets.

The confiscated files were sent early this year for examination to the Main headquarters of the Russian Navy. According to available information, Navy experts ruled that a considerable part of the files contained "materials belonging to the category of state secrets".

This time, the St. Petersburg branch of the Federal Security Service did not comment either on the arrest of Nikitin, or on the situation with Bellona proper.

Russia: Karasin Denies Talks With Afghan Group Suspended

LD0602190696 Moscow INTERFAX in English 1653 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — Russian Foreign Ministry spokesman Grigoriy Karasin has refuted reports in some Russian media that talks with the Taleban Afghan opposition movement on the return of the Russian IL-76 plane and seven members of its crew had been suspended in connection with Ramadan, a sacred month for Muslims.

"The work to secure the return of the Russian plane crew, including contacts with the Talebs, has not stopped for a minute and will continue until our citizens are back in Russia and we consider the incident over," Karasin told a briefing in Moscow Tuesday.

The Russian crew have been held hostage since August 3, 1995.

Russia: Observers Welcome Yeltsin Message to Angolan Leaders

LD0602212396 Moscow INTERFAX in English 1953 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — The Russian, U.S. and Portuguese officials representing the three countries which supervise the Angolan settlement welcomed Russian President Boris Yeltsin's messages to Angolan President Jose Eduardo dos Santos and UNITA [National Union for the Total Independence of Angola] leader Jonas Savimbi.

The officials had a round of consultations in Lisbon last week, the official spokesman for the Russian Foreign Ministry, Grigoriy Karasin, said at a briefing in Moscow Tuesday. They also welcomed other international efforts leading to a settlement in Angola.

The three sides had an in-depth exchange of views on a range of issues connected with the Angolan settlement prior to the U.N. security Council's debate on extending the mandate of the U.N. mission in Angola, Karasin continued.

They noted the importance of continuing the dialog between the leaders of the two sides in the Angolan conflict as a major factor in working for peace and national reconciliation in that country, Karasin said.

Russia: Concern Expressed Over Russians in Guinea

LD0602211596 Moscow ITAR-TASS World Service in Russian 1418 GMT 6 Feb 96

[by ITAR-TASS diplomatic correspondent Denis Perkin]

[FBIS Translated Text] Moscow, 6 Feb (ITAR-TASS) — "There is no immediate threat to the lives and health of about 450 Russian citizens who are now in Guinea. The Russian Federation government has taken all the necessary measures to ensure their safety." Grigoriy Karasin, director of the information and press department of the Russian Foreign Ministry, stated this today at a briefing in connection with the sharp exacerbation of the situation in Conakry, capital of the Republic of Guinea.

Last Friday some servicemen from the capital's garrison demanded that their economic conditions be improved and took armed action, and the presidential palace was shelled and set on fire. The country's leadership entered into talks with instigators of the military revolt. The Russian Foreign Ministry's spokesman reported that rallies in support of the government have been held in Conakry.

"As a principled opponent of using forceable methods to resolve domestic political problems, we express deep concern in connection with the grave events in Conakry. We hope that the conflict that flared up will be settled peacefully and that the process of reforming Guinean society will continue," Grigoriy Karasin stressed.

Russia: Authorities Request Israel Recall Diplomat Early

LD0602185396 Moscow INTERFAX in English 1653 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — The Russian authorities have requested Israel

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to recall one of its diplomats from Moscow, Israeli press secretary Yakov Livni told INTERFAX Tuesday.

Livni declined to name the diplomat, but said "the diplomat and his family were to finish his Moscow assignment in the summer of 1996."

The diplomat was not proclaimed persona non grata, Livni underlined. "The Russian side believes that he did not observe the widely recognized norms of diplomatic behavior," he said.

"The Russian side preferred to settle this problem by negotiation," Livni said.

"There are cases when diplomats leave the receiving state ahead of schedule for various reasons," Russian Foreign Ministry spokesman Grigoriy Karasin told INTERFAX Tuesday.

"Usually, such issues are discussed discreetly between the foreign ministry and the corresponding embassy in order not to complicate bilateral relations," he said.

Now that the case is being exposed to public scrutiny, the Russian Foreign Ministry will have to examine it in detail and set out its position, Karasin said.

Deputy Foreign Minister Viktor Posuvalyuk, responsible for Middle East policy, also preferred to refrain from comment.

"There will be no comments for some time. Give us a couple of days," he told INTERFAX.

Russia: Vatican Ambassador's NTV Interview Criticized

LD0602153796 Moscow ITAR-TASS World Service in Russian 1323 GMT 6 Feb 96

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Excerpt] Moscow, 5 Feb (ITAR-TASS) — "It is important to understand that the post of extraordinary and plenipotentiary ambassador carries with it certain obligations and restraints." The director of the Information and Press Department of the Russian Federation Foreign Ministry said this today at a briefing in connection with the recent televised interview given by Vyacheslav Kostikov, Russia's official representative to the Vatican, on Moscow NTV's "Itogi" program.

In that interview, the former press secretary of the Russian Federation president gave his point of view on Russia's internal political situation, making, among other points, criticisms of the internal and foreign policy of the Russian leadership.

Grigoriy Karasin said it was "incorrect and unacceptable for an ambassador to make negative commentaries on the leadership of his own country while in that capacity." In any case, his comments breached moral and professional standards," the official spokesman for the Ministry of Foreign Affairs said. That was the view of the leadership of the Russian Ministry of Foreign Affairs and the majority of diplomats who saw the program. [passage omitted, reporting an interview with veteran Russian diplomat Oleg Troyanovskiy, who says that such comments are taboo for an ambassador and that in cases like these, "they usually resign."]

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Political Issues

Russia: Yeltsin, Security Council To Discuss Defense, Chechnya

LD0702085496 Moscow ITAR-TASS in English 0846 GMT 7 Feb 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] Moscow, February 7 (ITAR-TASS) — President Boris Yeltsin opened a meeting of the Russian Security Council in the Kremlin at 11:00 on Wednesday, the Russian president's press secretary Sergey Medvedev reported.

The meeting will discuss technological security of Russia, financing of national defence and a settlement of the Chechen conflict. The press secretary did not report any particulars of issues under discussion.

The opening speech was made by Yeltsin.

The president made changes in the composition of the Security Council on the eve. According to presidential decrees received by ITAR-TASS today, Ivan Rybkin and Vladimir Shumeyko were released from their duties of Security Council members (they completed their activities as heads of the Russian parliament).

Former Foreign Minister Andrey Kozyrev who is now member of the State Duma (Russian parliament lower house), was also relieved of his Security Council membership. Vyacheslav Trubnikov was approved member of the Security Council.

Trubnikov was recently appointed director of the Russian Foreign Intelligence Service instead of Yevgeniy Primakov who became Russian foreign minister and remains member of the Security Council.

Russia: Yeltsin Stresses Technological Security Threat

LD0702100896 Moscow ITAR-TASS World Service in Russian 0900 GMT 7 Feb 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 7 Feb (ITAR-TASS) — The threat to Russia's technological security is of both a temporary and strategic nature, President of the Russian Federation Boris Yeltsin said today in opening the meeting of the Security Council in the Kremlin. He acknowledged that "we have lost several highly important components of our scientific and technical potential, working links have been damaged, and competition on the international high technology market has grown more serious." The head of state also noted increased activity by foreign secret services in the area of dual technologies and the drain of highly qualified workers out of the country.

The head of state and First Deputy Premier Oleg Soskovets, who was invited to the sitting, spoke on the first item of the agenda of today's Security Council sitting: measures to ensure Russian technological security.

Boris Yeltsin stressed that "technological security is one of the key issues of Russian national security and in the country's present transitional period it has become harder to ensure it." The president said: "The main problem is the purposeful, coordinated, and systematic tackling of the tasks of strengthening the technical security of the Russian Federation under the new circumstances." The president stressed that he understands technological security to include "a wide range of technologies: from nuclear technology and technological processes involved in the production of various types of weapons to technological processes involved in civilian production."

The president said: "The prospects for the development of high technology in the defense sector depend directly on the implementation of the task set in Presidential Decree No.794: On Military Construction, dated 1 August 1995. Boris Yeltsin also said that "the state commission for military construction that was set up under this decree failed to present key documents on the plans for military construction and armament for the period 1996-2005 promptly." "The deadline had to be hurriedly put back by eight months and coordination of military construction plans had to be entrusted to the General Staff," noted the head of state.

Boris Yeltsin said that measures to overcome the crisis in funding the nation's defenses will also be discussed at the meeting. Members of the Security Council will exchange opinions on further steps to settle the conflict in Chechnya.

Russia: Yeltsin Reshuffles Security Council

LD0702081696 Moscow ITAR-TASS in English 0756 GMT 7 Feb 96

[FBIS Transcribed Text] Moscow, February 7 (ITAR-TASS) — President Boris Yeltsin reshuffled his Security Council on Wednesday dismissing those members who have lost their state jobs after parliamentary elections in December.

Ex-Foreign Minister Andrey Kozyrev and ex-speakers of both houses of the Russian parliament, Ivan Rybkin and Vladimir Shumeyko, were relieved of their membership in the influential body, according to the presidential press service.

Vyacheslav Trubnikov, the new director of the Foreign Intelligence Service, was appointed as non-voting member of the council.

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On Wednesday the council is to meet under the chairmanship of the president and the situation in Chechnya is expected to be on its agenda, among other things.

Russia: Yeltsin Challenges 'Inflated' Parliamentary Immunity

LD0602182796 Moscow ITAR-TASS in English 1744 GMT 6 Feb 96

[By Igor Belsky]

[FBIS Transcribed Text] MOSCOW, February 6 (ITAR-TASS) — The Russian Constitutional Court met on Tuesday for scrutiny of the inquiry lodged by President Boris Yeltsin concerning the appropriateness of law-set bounds of parliamentary immunity.

The court is to assess the parliament's law on the status of its members for conformity with the Russian Constitution.

The law in particular mandates that legal or administrative proceedings may not be started against members of parliament, except for specifically defined cases, during their parliamentary term.

The law also exempts the parliamentarians from detention, arrest, search or interrogation.

Furthermore, the law endows immunity to the parliamentarians' housing, offices, correspondence, communications means, luggage, transport and documents.

The presidential inquiry also questions the appropriateness of the law-set right of parliament members to refuse to give testimony in civil or common-law criminal cases.

According to Mikhail Mityukov, the presidential representative in the court hearing, the law-provided parliamentary immunity goes beyond the bounds of the federal constitution, and the inflated immunity violates the principle of general equality before law and court.

However, Sergey Baburin, of the Duma hardline faction, argues that the lower house had passed the law as it is to prevent it from being misused as a tool of political pressure on the parliament.

The parliamentary immunity is first and foremost a guarantee of political freedom, Baburin said.

According to Baburin, the law does not trespass the provisions of the constitution but rather makes them specific.

The court announced a break to deliberate. A ruling is to be passed in mid-February.

Russia: Yeltsin Returns Draft Amendments to Law Code

LD0602234696 Moscow ITAR-TASS World Service in Russian 1630 GMT 6 Feb 96

[FBIS Translated Text] Moscow, 6 Feb (ITAR-TASS) — Russian President Boris Yeltsin today sent to the chairman of the State Duma, Gennadiy Seleznev, his conclusions regarding the draft federal law "On Introduction of Amendments and Addenda Into the RSFSR Code of Law on Administrative Violations," which was adopted by the lower house of the Russian Parliament on first reading.

The draft was prepared in connection with the adoption of the Russian Federation law "On Continental Shelf of the Russian Federation."

The resume of the head of state in particular points out that the submitted draft contradicts the provisions on administrative violations laid down in the RSFSR Code of Law currently in force and that it has inner contradictions and technical, judicial and editorial errors. Neither does the draft agree with the draft of the new Russian Federation Criminal Code of Law.

The president believes that it is desirable to revise the submitted draft "On Introduction of Amendments and Addenda Into the RSFSR Code of Law on Administrative Violations" and to bring provisions of the proposed norms and the timescale for the consideration of the current draft into line with the contents of the norms and the timescale of the repeat consideration of the Russian Federation's new Code of Law by the State Duma.

Russia: Yeltsin Appeals for Trade Unions' Support

LD0702144596 Moscow ITAR-TASS in English 1433 GMT 7 Feb 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, February 7 (ITAR-TASS) — Russian President Boris Yeltsin met leaders of Russian trade unions in the Kremlin on Wednesday.

Opening the meeting, he informed that he "received their anxious letter. The problems you have raised, are correct and objective, without exaggeration."

During the meeting, the sides discussed in detail the most burning social problems, first of all, on delays in the payments of wages and salaries to workers in enterprises and organisations.

The president is "outraged" that some labour collectives have not received wages for several months, sometimes even for half a year.

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According to the president, this is leading to the aggravation of social tension in society and to extreme protest actions, such as strikes, meetings and even hunger strikes.

Calling this situation absolutely inadmissible, Yeltsin expressed the confidence that his recently signed decree was aimed at securing timely payments of wages and pensions, and would help rectify the present situation.

The Russian president informed trade union leaders that he had given "rigid" assignments to federal bodies of executive power to carry out mass check-ups of enterprises concerning the observance of legislation on labour payments.

The Finance Ministry has been charged to work out a special schedule for the implementation of commitments of the federal budget as regards payments of wages to workers from budget financed organisations, as well as pensions, scholarships and other social allowances. Control over observing this schedule will be very strict, the president stressed.

Yeltsin appealed to trade unions for support in this complex matter as, in his view, the government could not do without their control over timely wage payments.

This control would play a significant role in putting things in order in payments of wages and other allowances.

Taking part in the meeting were representatives of trade unions which are members of the Federation of Independent Trade Unions of Russia and alternative trade union associations, including trade unions working in the social sphere, the Labour Confederation of Russia, as well as Russian branch trade unions which are not in the Federation of Independent Trade Unions, and other trade union associations such as mining trade union of Russia and the trade union of the pilot personnel of the country.

Russia: Presidential Council Members Back Yeltsin

MM0702093396 Moscow IZVESTIYA in Russian 7 Feb 96 p 2

[Open letter from Presidential Council members: "B. Yeltsin Remains Bulwark of Democracy in Russia"]

[FBIS Translated Text] Several widely known figures recently stated that they were leaving the Presidential Council.

Because we share their views on the major questions of Russian politics and understand the reasons for their decision, we consider it necessary to clearly and publicly state those points on which we disagree with these esteemed people.

The president remains the main bulwark of democracy in Russia and the guarantor of its Constitution. This undisputed fact, which is a prerequisite for each one of us serving in the Presidential Council, assumes a particular significance today in view of the greatly increased threat of a Bolshevik restoration.

Being faced with this threat, we consider that the only sensible political course — which is determined by Russia's national historical interests — is to support Boris Yeltsin. It goes without saying that as before we retain the right to criticize his actions, appointments, dismissals, and especially his deviations from the course of reform. But we are sure that at this particular moment it is essential for us to back the president in a concerted and constructive manner, in spite of the various differences, including significant ones, that exist between us and him and between ourselves.

Only one of these vexed questions cannot be put off — we urgently recommend that the president take the swiftest possible measures to halt the combat operations in Chechnya. The first such measure might be a moratorium on large-scale military operations on the territory of Chechnya.

[Signed] Presidential Council members:

V.K. Volkov; D.A. Granin; A.M. Yemelyanov; M.A. Zakharov; S.A. Karaganov; O.V. Kiselev; R.Z. Livshits; A.M. Migranyan; E.A. Pain; A.M. Salmin; L.V. Smirnyagin; M.O. Chudakova; A.A. Yaroshinskaya.

Russia: Yeltsin To Visit Yekaterinburg 13-14 Feb

LD0702141996 Moscow ITAR-TASS in English 1408 GMT 7 Feb 96

[By Nadezhda Potapova]

[FBIS Transcribed Text] YEKATERINBURG, February 7 (ITAR-TASS) — Russian President Boris Yeltsin is planning to visit his home region of Yekaterinburg in the Urals on February 13 and 14, sources in the local administration told Tass on Wednesday.

In Yekaterinburg Yeltsin is likely to announce his decision on whether to run for a second term of office, his spokesman Sergey Medvedev told Tass on Wednesday.

Earlier Yeltsin said he would announce his decision on February 15 which is Thursday next week.

Yeltsin is expected to meet the Yekaterinburg public and reporters from the Urals region, according to the Yekaterinburg sources.

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Local officials are likely to ask him many questions, including that about the power-sharing agreement between central government and the local administration. Although it was signed last January, it has not yet taken effect.

According to local media reports, Moscow's debt for 1995 to the region amounts 1.5 trillion roubles (319 million US dollars).

The president has received an invitation to visit his home region next week from a group of his supporters in Yekaterinburg who have united to gather one million signatures necessary to back Yeltsin for registration as a candidate at the June 16 presidential elections.

"It is not ruled out that during this trip, if it takes place, Boris Yeltsin will announce whether he would run for the second term of office", according to Medvedev.

Russia: Security Lobby Backs Yeltsin for President

MM0702104296 Moscow ROSSIYSKIYE VESTI in Russian 7 Feb 96 p 1

[Report by Pavel Anokhin: "Supporting Boris Yeltsin Means Supporting Public Accord"]

[FBIS Translated Text] At their recent joint session members of the "Security of the Citizen and Society" roundtable and the Commission for Security Questions under the Russian president's Public Chamber asked Boris Yeltsin to run for a second term as Russian Federation president.

The participants in the joint meeting attribute their decision to the fact that in Russia today it is more necessary than ever to maintain peace and public accord. This can be achieved by ensuring "protection for the citizen and society," an adopted statement reads, "the unimpeded exercise of their rights and freedoms, and an uncompromising struggle against crime and, above all, against its organized forms and illegal armed formations." The "roundtable" and commission members associate the implementation of the aforesaid tasks with the name and activity of Boris Yeltsin.

At the same time they point to the lack of proper control over fulfillment of the federal program for stepping up the fight against crime, approved by Russian Federation presidential edict. "This has led," the document emphasizes, "to rising crime and to terrorist acts' becoming a substantial factor destabilizing society. The scale, consequences, and growth rate of crime have turned it into one of the main circumstances preventing the implementation of social reforms, creating in Russians a sense of alarm over their lives and well-being, and undermining confidence in the authorities and the state policy that is being implemented. The situation in the Chechen Republic and the inability to disarm the bandits and to end the war which has claimed thousands of lives arouse the particular displeasure of Russia's citizens."

In the opinion of the participants in the joint session of the "roundtable" and the Commission for Security Questions, numerous appeals from collectives and individual citizens who have firmly embarked on the path of democratic transformations demand that constitutional order be imposed. The statement maintains that Russians see Boris Yeltsin, the first president, as guarantor of the observance of their rights and freedoms, of the completion of the democratic transformations, and of Russia's return to the fold of the world's great powers.

Commenting on the adopted document specially for ROSSIYSKIYE VESTI, Sergey Pashin, a jurist honored by the republic and a deputy chief of the State Duma Legal Administration, pointed out that the federal program for stepping up the fight against crime presupposes coordinated action by both power structures and the various departments which is difficult to achieve in the present situation.

Specialists are sure that the second reason why the adopted program has been ineffective is underfunding. Not that, as life has shown, an increase in the flow of money from the state treasury to the law enforcement organs will necessarily lead to a steady reduction in crime. Its roots are socially conditioned. Subduing terrorism depends not so much on the legislative base as on the level of professionalism or corruption in the law enforcement organs. This in turn requires serious cadre work. The law on operational and investigative activity, for example, provides tremendous opportunities for fighting crime, but the problem is one of who uses it and how.

Sergey Pashin emphasized in conversation with ROSSIYSKIYE VESTI's correspondent that, as a jurist, he pays tribute to Boris Yeltsin's desire to implement judicial reforms. "Of course, they have not yet been carried through," Sergey Pashin said, "but it is precisely on the Russian president's initiative that trial by jury and judicial monitoring of arrests have appeared, the death penalty for economic crimes has been abolished, the new Constitution has been adopted...."

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Russia: Railmen's 'Forced' Support for Yeltsin Questioned

MM0602163096 Moscow SOVETSKAYA ROSSIYA in Russian 6 Feb 96 p 1

[Report by Zhanna Kasyanenko: "Minister Looks for Little Guy To Take the Blame"]

[FBIS Translated Text] For many people it is peculiar: Why is it that the railway workers (i.e. their bosses) have shown such concern over nominating Yeltsin for the presidency? Perhaps Boris Nikolayevich's promise to lie down on the rails has finally played its part? You know, like the revolver which has been hanging on the wall for two acts of the play, and which will inevitably go off in the third [refers to a saying attributed to dramatist A. Chekhov]?

Only it will probably have to fire at switchmen [allusion to the saying "The switchman is always guilty," i.e. the little guy always get the blame]. Because so far no one else is to blame for breaking the law. And that the law has been broken, no one doubts today. State Duma deputies, mainly from the CPRF [Communist Party of the Russian Federation] faction, spoke on this subject on Friday [2 February] with Railways Minister Gennadiy Fadeyev. True, the conversation was more reminiscent of an interrogation under torture. After all, there was plenty of reason for this!

In recent days the Duma has been inundated with letters and phone calls from ordinary rail workers: They are being forced, under pain of not receiving their pay, or worse — of dismissal — to sign their names in support of Yeltsin's nomination. Here are just some of the addresses from which such SOS's have been received: Rostov, Taganrog, Tikhoretsk, Kemerovo, Abakan, Voronezh, Moscow... In short, almost the whole country. The newspaper OKTYABRSKAYA MAGISTRAL has even cited the "social obligations" in connection with which the October Railroad is undertaking to collect 100,000 signatures in return for writing off debts. In Maritime Kray signature quotas have even been established for ticket operators: When you sell a passenger a ticket, demand his signature!

What a misfortune for people; on whose orders is all this happening? The minister swore blind to deputies that he never suspected that anything of the sort was going on. "And who gave this order in the telephone conference?" deputies asked him. "You are intelligent people, you understand who can give such directions!", the minister answers abstrusely.

And since the deputies do understand, they ask: Was it not Soskovets? After all, he did not begin his "staff" activity with a meeting with the Ministry of Railways aktiv for nothing. "This did not happen," the minister defends himself. And for a long time cannot recall who runs the action group for Yeltsin's nomination composed of rail bosses. Then it turns out that it is his deputy, Antipov, who is in charge of cadres. And the cadres, as is well known, decide everything [quotation from Stalin].

Minister Fadeyev promised to get to the bottom of the whole matter and to strictly punish those who coerced people at local level. That he will punish people is not in doubt. "Who are these clumsy operators?", he will probably say. "Now look what a scandal has come out!"

It is not yet known what Soskovets, who has been invited to the Duma for this purpose, will say to deputies. But Yeltsin will doubtless ask: What is all this about, ministers? And the ministers will tell him about the switchman again...

Russia: Seven Committees Nominate Yeltsin; Two for Lebed

LD0602230896 Moscow INTERFAX in English 1953 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — The Central Electoral Commission received documents Tuesday from a Tula-based action committee that has proposed Duma deputy Aleksandr Lebed as a presidential candidate, commission member Andrey Beloborodov told INTERFAX.

He said that the commission had earlier registered delegates of the Congress of Russian Communities election bloc who also nominated Lebed as a presidential candidate.

According to Beloborodov, the action committees and election blocs may begin collecting signatures in support of their presidential candidates from the moment of registration.

The law on presidential election does not limit the number of action committees and election blocs who can nominate the same presidential candidate. "Each of them must collect at least one million signatures for the presidential candidate to be registered, and the signatures they collect cannot be summed," said Beloborodov.

By February 6 the commission had registered 39 action committees and election blocs who had put forth presidential candidates. Seven of them have nominated the incumbent president, Boris Yeltsin.

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Russia: DVR Seen Warming to Possible Chernomyrdin Candidacy

MK0702084496 Moscow NEZAVISIMAYA GAZETA in Russian 6 Feb 96 p 1

[Analysis by Grigoriy Nekhoroshev: "'Yabloko' and DVR Conduct Talks"]

[FBIS Translated Text] Mr. [Grigoriy] Yavlinskiy stated in an "Itogi" [television] program interview yesterday that he is after all going to begin talks with Yegor Gaydar's "Russia's Democratic Choice" [DVR] party. Talks between "Yabloko" and the DVR on the level of "second persons" have been on for more than a week and have grown considerably more active in recent days.

According to politicians who are taking part in these talks in one way or another, a rather obvious and rather banal problem is being confirmed in their course — a union between the two democratic parties is being prevented by the ambitions of their leaders. Answering a question on Saturday from an INTERFAX news agency correspondent on whether he intends to cooperate with Yavlinskiy, Yegor Gaydar emphatically stated: "I am ready to cooperate with 'Yabloko.'"

However, if one is to believe the words of Sergey Yushenkov, a DVR leader, "there has appeared a hope in recent days that Yavlinskiy will resign himself to the idea of nominating an alternative united democrats' candidate." Under the circumstances, the style of significant hints attests not only to the shaky nature of all understandings reached to date, but also to the fact that democratically-minded politicians in the DVR and "Yabloko" are not certain whether some well-known centrist leaders would agree to become their candidate for Russian Federation president.

People close to the DVR brass have long discussed in the corridors the candidacy of Viktor Chernomyrdin. A resolute woman in their party, Galina Starovoytova, must have decided to somehow speed up a decision on Chernomyrdin and created the other day an initiative group to nominate Viktor Stepanovich [Chernomyrdin]. It would not be surprising if Galina Vasilevna [Starovoytova] took this step in the expectation that, faced with the disintegration of the DVR, its leaders would take a more sober look at the current political situation. It is rather difficult to explain to the democratic electorate outside Moscow and St. Petersburg why democratic leaders should continue to quarrel during a period with a realistic prospect for the restoration of communism — the more so since one can increasingly hear from "Yabloko" and DVR supporters in the provinces the view: "Chernomyrdin has many drawbacks, but a normal person chooses the lesser of two evils."

However, the biggest riddle for democrats is the stance of Viktor Stepanovich [Chernomyrdin] himself. There are so far contradictory rumors about what it is.

Russia: Lebed Should 'Win' Communist, Nationalist Allies

LD0602172996 Moscow INTERFAX in English 1423 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — General Aleksandr Lebed, a co-founder of the Congress of Russian Communities (KRO) which nominated him for the presidential elections is ready to deal "with any parties and movements except anti-popular ones" in his election campaign, because in his opinion campaigning on his own hardly makes sense.

"I am continuing talks with some political leaders to win allies", Lebed told INTERFAX today. "All of us live in one country, speak one language, and share the same goal — to make life worthy," he added.

The allies may be communists and national patriots, and the goal of such a leftwing alliance should be the nomination of a single candidate for the presidency.

Recalling the December 17, 1995, parliamentary ballot, Lebed said "dwarfish political associations do not lead to anything positive. Only combined forces are able to take the country out of the crisis," he stressed.

Asked why he has joined the People's Rule, a Duma faction led by Nikolay Ryzhkov, Lebed said he "was lured by some legislative ideas of that group."

Refuting rumors about a split in KRO, Lebed remarked: "How can I break with this movement when it has nominated me for the presidency?"

Rather than a split, there is just function-sharing in KRO: while Lebed will be busy with his election campaign, KRO's co-founder Yuriy Skokov will try to enlist support for "a referendum on government responsibility for living standards."

Russia: Fedorov, Nemtsov Have Yet To Consent to Nomination

MK0702071596 Moscow SEGODNYA in Russian 6 Feb 96 p 2

[Report by Gleb Cherkasov: "Svyatoslav Fedorov 'Has Given No Consent So Far To Run For President'"]

[FBIS Translated Text] Svyatoslav Fedorov, chairman of the Sovereignty of the Working People Party [PST]

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and State Duma deputy, stated yesterday that he had given "no consent so far to run for the Russian Federation presidency." Mr. Fedorov stressed that he would made his final decision only after a consultation with the DPR [Democratic Party of Russia] National Committee Chairman Sergey Glazyev, Duma member Stanislav Govorukhin, and Constitutional Court justice Valeriy Zorkin. Besides, the PST leader does not rule out the chance that the Communists who "share the views of a young Marx" would support him. At any rate, Svyatoslav Fedorov is convinced that "it is necessary to go into the presidential election in a powerful bloc rather than separately."

Speaking about Boris Yeltsin's election chances, Mr. Fedorov pointed out that they "are diminishing in proportion to the falling industrial production in the country." Having assessed the current economic and political system as "ineffective and unprofitable," the ophthalmologist spoke in favor of a transition to a "market socialism." In Mr. Fedorov's words, his campaign program is based on the "principles of paternalism, social partnership, and sovereignty of working people."

Also yesterday, late in the evening, a meeting of an initiative group took place in Moscow to nominate Nizhniy Novgorod Governor Boris Nemtsov as a presidential candidate. It is still unknown if participants in the meeting had Mr. Nemtsov's consent.

Russia: Fedorov Touts His 'Realistic' Platform

LD0602170996 Moscow NTV in Russian 1635 GMT 5 Feb 96

[Studio interview with Svyatoslav Nikolayevich Fedorov, leader of the Party of Workers' Self-Government, by moderator Pavel Lobkov on 5 February — live or recorded; from the "Hero of the Day" program]

[FBIS Summary] Eye surgeon Svyatoslav Nikolayevich Fedorov, leader of the Party of Workers' Self-Government and a potential presidential candidate, during a 20-minute interview, states that he will make the final decision on whether he will run in the June elections on around 15 February; he will be holding consultations with the Congress of Russian Communities, Nikolay Ryzhkov's group, and with independent deputies in the Duma.

Fedorov states that he can win the elections because, as primarly a psychologist and secondarily a businessman, his program is realistic, based upon the principle of private property and personal interest. His policies would not involve any redivision of property, he states.

Asked about the opinion of political analysts who suggest Fedorov's presidential bid will only help some other candidate get through, Fedorov says analysts have no idea about economics or real life, either. His presidential campaign will be based on ideas, not the personality of an individual candidate. A potential president must be honest and hard-working, noble, and determined to help every person in the country.

Russia: Army Ordered Not To Raise Signatures for Candidates

LD0602152096 Moscow INTERFAX in English 1423 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — Russian chief of staff Army General Mikhail Kolesnikov has ordered troops not to raise signatures in support of candidates standing for the presidency, a defense ministry source has reported.

"The instruction is without any political strings for the army, strictly complying with the defense law which prohibits political agitation on army compounds," Kolesnikov said, adding that more and more collectors of signatures in support of presidential election nominees have been spotted among troops.

"What's the use of military training, if all of them are let into army compounds", Kolesnikov said, stressing that to raise signatures among servicemen is perfectly normal. "However, that can be done outside the units when servicemen are off duty," he said.

Russia: Premier's Vacation Linked to Electoral Politics

MK0602144496 Moscow KOMMERSANT-DAILY in Russian 6 Feb 96 p 3

[Report by Georgiy Bovt and Natalya Kalashnikova: "Vacation as a Cure for Preelection Fever"]

[FBIS Translated Text] At the end of last week the prime minister hastily took a vacation. He went to Sochi, from whence he will return — not counting his short excursions to Moscow — precisely by the day that Boris Yeltsin will finally announce his decision to run for a second term. Having sent Viktor Chernomyrdin on vacation, the Kremlin, to all appearances, is unobtrusively protecting him from the intrusive mass media and those unsolicited initiators who are trying to nominate him as a candidate for Boris Yeltsin's position.

When the Russian premier was still visiting with U.S. Vice President Albert Gore, assuring that Russia will not turn from the course of reform, nothing in Moscow pointed to the premier's pending leave of absence. Although it was decided to move the 1 February government session to 8 February, this was only due to his late return from New York. According to some government

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sources, the vacation decision was made in Moscow quite unexpectedly — in the wake of meetings by a number of "initiative groups" intending to nominate the premier for president. The premier's explanations from across the ocean or assurances by the "Russia's Democratic Choice" movement that Chernomyrdin himself had nothing to do with this were to no avail.

The premier took leave at a significant time. The country is on strike — from miners to teachers to military cadets (the latter decided to refrain from the class struggle, however). Work is nearing completion on a crucial joint statement by the Russian Government and the Central Bank concerning economic policy, which is crucial not only for the "abstract" fate of the country, but also for the concrete fate of the IMF's $9 billion credit for the next three years. Work is also nearing completion on the presidential message, wherein the "governmental" (i.e. economic) section should be quite well represented. In other words, there are no objective reasons or conditions for the premier's vacation.

The opposition, meanwhile, cites quite concrete reasons for the vacation, which looks more like exile. According to CPRF [Communist Party of the Russian Federation] Deputy Chairman Valentin Kuptsov, we are seeing presidential "preelection fever." According to him (a view shared, incidentally, by his antagonists among the rightist democrats), the "peak" of populism will occur in mid-March, when Yeltsin "surrenders the premier, who is thus far a necessary target for criticism."

The president's political evolution, which manifested itself in personnel changes and a pronounced social shift, was noticed by everybody. Those who still analyze this evolution link it to the wish to play up to the electorate or rather that part thereof which voted Communist. The Communists, incidentally, also noticed and thoroughly welcomed it, finding the president's social and personnel policy more and more acceptable for themselves. The logical question is how effective the president's game on an "away" electoral field can be.

It is hardly likely that those who did not accept the president or his policy will now revise their position. Moreover, according to recent polls, society is dominated not by a longing for a Communist president, but for a strong leader. In the meantime, Yeltsin is making more and more concessions, while his staff has thus far not been able to work out an adequate propaganda concept for his new course. Today Yeltsin's rating, according to the All-Russia Center for the Study of Public Opinion, is dismally low (5 percent), with a great number of uncommitted (52 percent). But Chernomyrdin's rating is equally low. The premier, however, could have one of the surest domestic political "potions" up his sleeve (this depends both on his own and the Kremlin's behavior) — his disfavor.

Russia: Primakov, Federation Council Address Foreign Policy

LD0602233896 Moscow ITAR-TASS World Service in Russian 1600 GMT 6 Feb 96

[FBIS Translated Text] Moscow, 6 February (ITAR-TASS) — The deepening of relations between the Russian Federation Council and the Foreign Ministry in addressing foreign policy issues was the main subject at today's meeting between their leaders during a visit by Yevgeniy Primakov to the upper house of parliament. As an ITAR-TASS correspondent was told by the head of the press service of the Federation Council, Yuriy Algunov, Yegor Stroyev, and Yevgeniy Primakov stressed the importance of improving the legislative basis for activities in the sphere of the state's foreign policy and of the participation of the two organizations in the ratification process.

What was involved here was greater responsibility for the Federation Council in the formation of the country's legal basis in connection with Russia's accession to the Council of Europe. The speaker of the house stressed that the Federation Council and the State Duma of the first convocation "made a substantial contribution into the positive resolution of that issue" and, in particular, a parliamentary delegation permanently worked on that issue.

During the conversation, questions connected with interaction between the Federation Council and the foreign policy department in the preparation of a long-term program for interparliamentary cooperation in the framework of the CIS was discussed. Good contacts were noted at the level of the committees of the Federation Council and the Foreign Ministry, as well as the active participation of diplomats in interparliamentary work.

Russia: Zhirinovskiy Feels 'Faint,' Needs Rest

LD0602152196 Moscow INTERFAX in English 1423 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — Liberal Democratic Party leader Vladimir Zhirinovskiy felt faint in his office in the Russian Duma Tuesday morning, and went to the local medical center. Doctor Valentina Nikiforova measured his blood pressure and diagnosed "overstrain," head of the Liberal Democratic Party faction's press service Viktor Filatov told INTERFAX.

The doctor believes that Zhirinovskiy needs a rest, Filatov said. In the meantime Zhirinovskiy continued

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working. After his visit to the doctor he presided over a meeting held by his faction for almost three hours.

According to Filatov, main adviser to Russia's interior minister Cl. Vladimir Vorozhtsov addressed the meeting at the faction's invitation. He "spoke about problems faced by the Interior Ministry and about laws whose adoption would help the ministry to accomplish its tasks with more success," Filatov said.

Russia: Pastukhov To Oversee CIS Problems

LD0602173696 Moscow ITAR-TASS in English 1653 GMT 6 Feb 96

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, Feb 6 (ITAR-TASS) — The newly appointed First Deputy Prime Minister [title as received] Boris Pastukhov will be in charge of the entire range of CIS problems, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing on Tuesday.

Pastukhov has been placed in the post by a decree of President Boris Yeltsin.

Karasin stressed that relations with CIS members are "a crucial direction of the foreign policy of Russia."

As for another appointment, that of Yuri Zubakov as deputy foreign minister, Karasin said Zubakov will "in particular handle personnel questions."

Zubakov "held different state posts" prior to his latest appointment, Karasin said.

When Primakov, now the foreign minister, was a member of Mikhail Gorbachev's presidential council and of the USSR Security Council, Zubakov was his aide and later an adviser.

Over the recent years, he was in the post of deputy director of the Russian foreign intelligence service under Primakov.

Russia: Livshits Previews Yeltsin Address to Parliament

LD0602195796 Moscow INTERFAX in English 1855 GMT 6 Feb 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Aleksandr Livshits, Kremlin aide for economic matters, says President Boris Yeltsin's 1996 address to parliament will be different from those of 1994 and 1995.

In an interview with INTERFAX on Tuesday, he said the question is not one of the structure of the paper alone the president is expected to announce later this month or early next. "We will recommend the president focus on the simplest, yet most important things such as the individual's right to a decent living and social and economic opportunities," he said.

The aide said the reforms carried out at the cost of gross violation of human rights were running against the natural instinct of survival with all troubles ensuing from this for reforms and the economy as a whole. "There are some absolute things which are not being observed in full in our country so far," he said.

The aide declined to comment on the course of drafting the paper saying the president who was contemplating and writing the document would himself unveil it. As tradition goes, none of those involved in drawing up the address comments on the paper before "it is uttered," he said.

Livshits said the government was expected to report to Yeltsin on Tuesday on how his own instruction to pay out salaries to public sector workers was being carried out. He said the question was one of a package of measures which "could help clear the debt in back pay as quickly as possible." He hopes things would be sorted out in March if the package is approved by the president.

Livshits said the president's position on this as "tough as it could be" adding Yeltsin considers regular pay delays as a gross violation of the individual's social and economic rights.

He said appropriate control bodies were examining how the presidential decree against the misuse of social spending was being carried out. Livshits said the findings were to be reported to the president this week. He said the decree binds the management on all level to ensure duly payment of wages if the plants have money on their accounts.

Livshits said most decisive measures would be taken against persistent defaulters next week.

Asked to what extent this combination of economic and administrative measures was justified, the Kremlin aide spoke of seeing nothing wrong in trying to bring some elementary order. "None of us here has any illusions. If a plant manager is punished for non-payment of wages, not a single ruble will appear on the plant's accounts next day. But if the money is available on the account, but not paid out, this is a gross violation," he said.

Livshits said there was nothing illegal in this combination of measures against habitual defaulters. There is no idea of flogging in public or a show trial behind it, he said. He said the state would demonstrate its elementary

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strength and "I would like those who consider it absolutely impotent to be convinced of the reverse."

On Prime Minister Viktor Chernomyrdin's short leave, the aide linked this with the need to "gather strength before implementing the biggest social and economic action yet aimed at rectifying the pay situation in the public sector".

On Chechnya, he said "steps materializing closer attention to social and economic issues and postwar reconstruction in Chechnya are being carried out within budget limits so far."

He said this means spring and summer inflation must not be "dramatically high." He rules out any 10% inflation.

The aide denied suggestions that the miners wrung out more concessions than expected after the recent strike.

He accused new generation union leaders for using their influence to urge for demonstrative actions where negotiation was enough. He said it was not at all necessary to come to Moscow to achieve one's goals.

"The people justifiably demand what is due to them and they will get this in full,." he said commenting on Yeltsin's tough stand concerning pay delays.

On the problem of investment, Livshits called for the Chechen conflict to be resolved as quickly as possible but in a way helping not to derail the president's and government's economic plans.

He warned against the idea of using part of investment funds for postwar reconstruction in Chechnya. Livshits admitted to the existence of such plans but warned against any attempt to "continue in the same spirit which will amount to undermining the investment program at the most unsuitable moment."

He said all those involved in decision making in the past few years had been awaiting a moment when lower inflation and lower interest rates could help rally investment. "Such a moment has set in this year," Livshits said.

The aide warned against missing out "this moment we have been awaiting all of the past four years" now that interest rates and profits from securities were falling.

On the prospects of a normal alliance between Inexim-bank and Norilsk Nickel Company he negotiated hard last year, Livshits said "the chance is still there."

He hopes the two sides will strike a compromise which can lead to the emergence of an enormous financial-industrial group in Russia comparable to its western counterparts including American.

Livshits said if this happened, the new group could help win the world. IF NOTE: The conflict between Norilsk Nickel and Unexim-bank gaining a 38% stake in the company broke out after the bank decided to called an urgent shareholders meeting to discuss changes to its association articles and board of directors as well as development plans in 1996-1997 planning to allocate $1 billion for the purpose.

The arbitration court considering the company's plea to repeal the bank's decision on January 29 banned the bank to hold a meeting until a final verdict was brought out. On January 31 Unexim-bank put off the meeting until a later date on a request from the State Duma which decided to consider the sale of Norilsk Nickel at a session on February 2. The Duma is due to pass a resolution on the issue later this week.

On Russia's involvement in the world economic forum in Davos, Switzerland, the aide said Russian representatives "have been upholding their position and they had something to defend."

Livshits who was unable to attend the forum himself described it as being a show of the continuity of Russia's economic policy.

He said "the people who were responsible for decision making when First Deputy Premier Anatoliy Chubays was still in office stay put, they are vested with full authority and are doing their duty to the economy while they can."

He condemned some Russian representatives for trying to show themselves off in Davos. "The people who went there are polarized and politically biased, particularly in the run up to elections, and their behavior, I think, was interesting to those who watched it," Livshits said.

Russia: U.S. Apathetic Towards Counterfeiters' Arrest

LD0602223996 Moscow NTV in Russian 1900 GMT 6 Feb 96

[From the "Segodnya" newscast presented by Tatyana Mitkova]

[FBIS Translated Text] Now on to an operation by Russian Federation counterintelligence staff, unprecedented in the scale and in the methods used to catch money forgers. Expert analysis failed to detect the notes they produced. Nikolay Nikolayev reports:

[Nikolayev] [video shows men being arrested, interior of an apartment, equipment, sheets of dollar notes] The details were announced today of an operation, unprecedented in Russia, carried out by the service for illegal armed formations and banditism of the Moscow

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Federal Security Service directorate and by the Moscow Region department for fighting organized crime. The staff of these organizations managed to get on the track of a group of money counterfeiters specializing in forging $100 and $50 banknotes; the latter were preferred.

All the materials and equipment used for their activities were obtained absolutely legally in shops in the capital by the six arrested men — inhabitants of Moscow and of Perm, Lvov, and Khmelnitskiy regions. The members of the task force managed to work out the technological process used by the dollar forgers. The false notes were manufactured in three stages, each of which was done at different apartments rented in the capital and region. The children of conversion — as they were nicknamed by the investigators — decided to make their fortune. If only such skill was used for the good of the national economy, the investigators said bitterly.

[Begin recording Sergey Bogdanov, head of press service of the Federal Security Service directorate of Moscow and Moscow Region] They developed the technology independently and, as far as we have managed to check so far, virtually none of the counterfeit-testing machines currently in use in banks and in the banking system could distinguish these dollars from genuine ones. [end recording]

[Nikolayev] The latest professional computer equipment for printing and copying, and a forged U.S. banknotes computer worth $44,900 were confiscated from the detained men in three apartments. The counterfeitors had stockpiled 50 kg of paper and metal strips and semi-finished dollar notes alone.

[Begin arrested man recording; identified by caption] It was my job to make the paper the right color and put these strips on and simply pass them on. I can only guess what the sheets of paper meant. You understand, I am simply afraid to talk about it. [end recording]

[Niklayev] The arrested men, preparing themselves well to manufacture dollars and having studied the necessary literature, after finding out the measurements and the tolerance of the banknotes as well as many other details, also made preparations in case they got arrested. However, the story they prepared is unlikely to help them now.

[Begin recording] [Bogdanov] In addition to the equipment they used, they also stockpiled a great deal of usuable materials and copying equipment, including boxes they had not even opened yet. They were planning to operate on a big scale, and to judge from some of the materials confiscated during the searches and when they were arrested, it is clear they had tried to master the technology of counterfeiting money of other countries, not just U.S. notes.

[Unidentified correspondent] Which, if it is not a secret?

[Bogdanov] Well, German marks, among others. [end recording]

[Nikolayev] According to up-to-date statistics, there are $50 billion in circulation in Russia and about 10 percent of them are forged. One wonders where the owners will manage to exchange them for the new $100 notes.

[Begin Bogdanov recording] We assume they were manufacturing $50 notes in response to the forthcoming exchange of $100 notes. [end recording]

[Nikolayev] It is as yet hard to know how many forged notes the group of counterfeiters managed to pass off during the year they were operating. We know that as a rule, they exchanged two of their home-made dollars for one genuine one. And no small number of the forged notes may well have already found their way to the home of the dollar.

So far, only the U.S. media have shown any interest in this case. The U.S. state bodies have displayed no interest whatsoever in the work of the Russian counterintelligence workers, who are doing in their own country everything possible to avert any collapse of the U.S. economy.

[Presenter Mitkova] I may add here that the group of counterfeiters face 10-15 years deprivation of freedom and confiscation of their property.

Russia: Edict, Statute on State Secrets Commission

MM0602141696 Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 96 p 3

[Russian Federation Presidential Edict No. 71 "Questions of the Interdepartmental Commission for the Protection of State Secrets," signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 20 January 1996, followed by "Statute on the Interdepartmental Commission for the Protection of State Secrets" and "Ex Officio Composition of the Interdepartmental Commission for the Protection of State Secrets" — from the "Documents" section]

[FBIS Translated Text] In accordance with the Russian Federation Law "On State Secrets" and the Russian Federation Presidential Edict 1108 of 8 November 1995 "On the Interdepartmental Commission for the Protection of State Secrets," I decree:

1. The appended Statute on the Interdepartmental Commission for the Protection of State Secrets, its structure

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(Footnote) (not published), and its ex officio composition are approved.

Following a submission from the chairman of the Interdepartmental Commission for the Protection of State Secrets, the Russian Federation Government is to approve the Commission's personnel composition.

2. It is laid down that decisions of the Interdepartmental Commission for the Protection of State Secrets, adopted in accordance with its powers, must be carried out by federal organs of state power, organs of state power of components of the Russian Federation, organs of local self-government, enterprises, establishments, organizations, officials, and citizens.

3. The size of the central apparatus of the State Technical Commission Under the Russian Federation President is increased by 28 persons to give organizational and technical support to the activity of the Interdepartmental Commission for the Protection of State Secrets.

The Russian Federation State Committee for the Management of State Property and the Russian Federation Ministry of Defense are to allocate official premises within one month to accommodate the said additional number of employees of the central apparatus of the State Technical Commission Under the Russian Federation President.

The Russian Federation Ministry of Defense is to resolve questions of material and technical support for these employees of the central apparatus of the State Technical Commission Under the Russian Federation President within the limits of the funds allocated for these purposes.

The Russian Federation Government is to establish a labor remuneration fund for employees of the State Technical Commission Under the Russian Federation President in connection with the increase in the size of its central apparatus.

4. In connection with the publication of this edict the chairman of the State Technical Commission Under the Russian Federation President is to prepare within two months proposals for making changes and additions to normative legal acts governing the activity of the State Technical Commission Under the Russian Federation President and submit them to the Russian Federation president in accordance with the established procedure.

5. Russian Federation Presidential Edict 614 of 30 March 1994 "Questions of the Protection of State Secrets" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 14, p 1050) is deemed null and void.

[Signed] B. Yeltsin, president of the Russian Federation

[Dated] 20 January 1996

Statute on the Interdepartmental Commission for the Protection of State Secrets

1. The Interdepartmental Commission for the Protection of State Secrets (hereafter called the Interdepartmental Commission) has been formed in accordance with the Russian Federation Law "On State Secrets" and the Russian Federation Presidential Edict 1108 of 8 November 1995 "On the Interdepartmental Commission for the Protection of State Secrets."

2. The Russian Federation Constitution, the Russian Federation Laws "On Security" and "On State Secrets," the Federal Law "On Information, Computerization, and Data Protection," Russian Federation presidential edicts and directives, and Russian Federation governmental decrees and directives governing relations in the sphere of the protection of state secrets, and also this Statute constitute the legal basis of the activity of the Interdepartmental Commission.

3. The Interdepartmental Commission is a collective organ, whose main function is to coordinate the activities of federal organs of state power and organs of state power of components of the Russian Federation (hereafter called organs of state power) in protecting state secrets in the interests of drafting and fulfilling state programs and normative and method documents ensuring the implementation of federal legislation on state secrets.

4. In carrying out its activity, the Interdepartmental Commission has the right:

to draw up a list of officials of organs of state power endowed with powers to class information as a state secret;

to draw up a list of information classed as a state secret;

to prepare proposals for organizing the drafting and fulfillment of state programs and normative and method documents ensuring the implementation of federal legislation on state secrets, and to submit them to the Russian Federation Government in accordance with the established procedure;

to examine proposals for the legal regulation of questions of the protection of state secrets and the improvement of the system for protecting state secrets in the Russian Federation and to submit them to the Russian Federation president and the Russian Federation Government in accordance with the established procedure;

to define the procedure for declassifying carriers of information which constitutes a state secret in the event

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of the liquidation of the fund-creating organization and the absence of its legal successor;

to organize the work of interdepartmental expert groups in declassifying and extending the periods of classification of CPSU and USSR Government documents and other archive documents in the event of the absence of the fund-creating organization and its legal successor;

to examine in cases provided for by the Russian Federation Law "On State Secrets" requests by organs of state power, organs of local self-government, enterprises, establishments, organizations, and citizens for the declassification of information classed as a state secret;

to prepare expert conclusions on documents containing information classed as a state secret with a view to resolving the question of the possible handover of the said information to other states, and to submit these conclusions to the Russian Federation Government in accordance with the established procedure for a decision to be made;

to adopt decisions on the handover by an organ of state power, an organ of local self-government, an enterprise, an establishment, or an organization of information which constitutes a state secret, in cases of a change in their functions and forms of ownership and the elimination or cessation of work involving the use of information which constitutes a state secret, to another organ of state power, organ of local self-government, enterprise, establishment, or organization;

to prepare proposals on the procedure for determining the extent of the damage that could be done to the Russian Federation's security as a consequence of the unsanctioned dissemination of information which constitutes a state secret, as well as the damage done to enterprises, establishments, organizations, and citizens in connection with the classification of information in their possession, and to submit them to the Russian Federation Government in accordance with the established procedure;

to prepare proposals on the rules for categorizing the various degrees of secrecy of information which constitutes a state secret, and to submit them to the Russian Federation Government in accordance with the established procedure;

to examine, on the instructions of the Russian Federation president and the Russian Federation Government, expert conclusions for the purpose of determining the extent of the possible damage that could be done to the Russian Federation's security as a consequence of the unsanctioned dissemination of information which constitutes a state secret, as well as the damage done to enterprises, establishments, organizations, and citizens in connection with the classification of information in their possession;

to examine, on the instructions of the Russian Federation president and the Russian Federation Government, drafts of the Russian Federation's international treaties on the joint use and protection of information which constitutes a state secret, to prepare corresponding proposals and expert conclusions, and to participate in international cooperation on these questions;

to draw conclusions on the decisions of leaders of organs of state power connected with altering the existing lists of classifiable information in organs of state power, organs of local self-government, enterprises, establishments, and organizations which could lead to a change in the list of information classed as a state secret, and to suspend or appeal against their decisions;

to coordinate work on organizing the certification of means of protecting information;

to coordinate, in accordance with the established procedure, work on licensing the activities of enterprises, establishments, and organizations connected with the use of information which constitutes a state secret, the creation of means of protecting information, and also the implementation of measures and (or) the rendering of services to protect state secrets;

to resolve the question of extending the 30-year period for classifying information which constitutes a state secret;

to examine, on the instructions of the Russian Federation president and the Russian Federation Government, other questions in accordance with the Russian Federation Law "On State Secrets."

5. The Interdepartmental Commission is headed by a chairman, who has two deputies. The chairman of the Interdepartmental Commission and his deputies are appointed to and dismissed from the post by the Russian Federation president.

The Interdepartmental Commission includes leaders of federal organs of executive power and of the Russian Federation Presidential Staff or their deputies.

The composition of the Interdepartmental Commission can, by agreement, include:

the first deputy leader of the Federation Council Apparatus;

the first deputy leader of the State Duma Apparatus;

the first deputy chairman of the Russian Federation Supreme Court;

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the first deputy leader of the Russian Federation Presidential Staff;

the first deputy leader of the Russian Federation Government Apparatus;

the first deputy Russian Federation general prosecutor.

The ex officio composition of the Interdepartmental Commission is approved by the Russian Federation president, and the personnel composition by the Russian Federation Government.

The deputy chairman of the State Technical Commission Under the Russian Federation President is the ex officio executive secretary of the Interdepartmental Commission.

6. Commissions for individual areas of work can be created by decisions of the Russian Federation president with rights of structural subdepartments of the Interdepartmental Commission.

Organizational and technical support for the Interdepartmental Commission's activity is provided by the central apparatus of the State Technical Commission Under the Russian Federation President, in which a structural subdepartment is created to fulfill these functions.

7. The chairman of the Interdepartmental Commission:

requests and receives from state organs, organs of local self-government, enterprises, establishments, organizations, officials, and citizens, in accordance with the established procedure, the information, documents, and materials needed to carry out the Interdepartmental Commission's activities;

sets up interdepartmental working and expert groups to ensure the activities of the Interdepartmental Commission;

enlists state and nonstate enterprises, organizations, and establishments, as well as individual specialists, on a contract basis to carry out analytical, research, and expert work;

entrusts the preparation and holding of sessions of the Interdepartmental Commission to his deputies.

8. Sessions of the Interdepartmental Commission are held on a planned basis in accordance with the standing orders approved by the chairman of the Interdepartmental Commission. If necessary, extraordinary sessions may be held by decision of the Interdepartmental Commission chairman.

The presence of the Interdepartmental Commission's members at its session is obligatory. They do not have the right to delegate their own powers to other officials. If a member of the Interdepartmental Commission is unable to attend a session, his opinion on the questions under examination is submitted in writing.

9. The Interdepartmental Commission's decisions adopted in accordance with its powers must be carried out by organs of state power, organs of local self-government, enterprises, establishments, organizations, officials, and citizens.

10. Members of the Interdepartmental Commission possess equal rights when adopting a decision.

In the event of a disagreement with an adopted decision each member of the Interdepartmental Commission has the right to set forth in writing his dissenting opinion on the question under examination, which must be appended to the session minutes.

A decision may not be adopted in the event of disagreement with it on the part of a member of the Interdepartmental Commission representing a federal organ of state power, the Russian Federation Presidential Staff, or the Russian Federation General Prosecutor's Office who is competent, in accordance with federal legislation, to hold an opinion on the question under examination.

11. Decisions of the Interdepartmental Commission are submitted, if necessary, to the Russian Federation president and the Russian Federation Government and are also sent (the parts concerning them) to organs of state power, organs of state power of components of the Russian Federation, organs of local self-government, enterprises, establishments, and organizations regardless of their organizational-legal forms and forms of ownership.

Draft edicts and directives of the Russian Federation president and draft decrees and directives of the Russian Federation Government which are submitted for examination in accordance with the established procedure may be drawn up, where necessary, on the basis of decisions adopted by the Interdepartmental Commission in accordance with this Statute.

Ex Officio Composition of the Interdepartmental Commission for the Protection of State Secrets

The first deputy chairman of the Russian Federation Government (chairman of the Interdepartmental Commission)

The chairman of the Russian State Technical Commission (deputy chairman of the Interdepartmental Commission)

The director of the Russian FSB [Federal Security Service] (deputy chairman of the Interdepartmental Commission)

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The Russian Federation minister of atomic energy

The Russian Federation first deputy minister of defense — chief of the Russian Federation Armed Forces General Staff

The Russian Federation first deputy minister of the economy

The first deputy chairman of the Russian State Committee for the Defense Sectors of Industry

The deputy director of the Russian FSB

The first deputy chairman of the Russian State Technical Commission

The first deputy director of the Russian SVR [Foreign Intelligence Service]

The first deputy general director of the FAPSI [Federal Government Communications and Information Agency]

The first deputy chief of the Russian GUO [Main Protection Directorate]

The first deputy chief of the Russian Federation president's Security Service

The first deputy chief of the Russian Federation president's Main Administration of Special Programs

The first deputy leader of the Federation Council Apparatus (by agreement)

The first deputy leader of the State Duma Apparatus (by agreement)

The first deputy chairman of the Russian Federation Supreme Court (by agreement)

The first deputy leader of the Russian Federation Presidential Staff (by agreement)

The first deputy leader of the Russian Federation Government Apparatus (by agreement)

The Russian Federation first deputy general prosecutor (by agreement).

Russia: Regional Legal Reform Body Established

MM0602112996 Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 4

[Russian Federation Presidential Edict No. 94, signed by President Yeltsin in Moscow on 25 January 1996: "On the Russian Federation President's Commission for Cooperation Between Federal Organs of State Power and Russian Federation Component Organs of State Power in Implementing Constitutional and Legal Reform in Russian Federation Components", accompanied by the relevant statute and composition of the commission]

[FBIS Translated Text]

"On the Russian Federation President's Commission for Cooperation Between Federal Organs of State Power and Russian Federation Component Organs of State Power in Implementing Constitutional and Legal Reform in Russian Federation Components"

With a view to implementing Russian Federation Presidential Edict No. 1007 of 5 October 1995 "On Measures To Ensure Cooperation Between Federal Organs of State Power and Russian Federation Component Organs of State Power in Implementing Constitutional and Legal Reform in Russian Federation components," I decree that:

1. N.D. Yegorov, leader of the Russian Federation Presidential Staff, shall be confirmed as chairman of the Russian Federation President's Commission for Cooperation Between Federal Organs of State Power and Russian Federation Component Organs of State Power in Implementing Constitutional and Legal Reform in Russian Federation Components.

2. The appended Statute on the Russian Federation President's Commission for Cooperation Between Federal Organs of State Power and Russian Federation Component Organs of State Power in Implementing Constitutional and Legal Reform in Russian Federation Components, and its composition shall be ratified.

3. This edict comes into force from the day it is signed.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin, 25 January 1996
No. 94

Statute on the Russian Federation President's Commission for Cooperation Between Federal Organs of State Power and Russian Federation Component Organs of State Power in Implementing Constitutional and Legal Reform in Russian Federation Components

1. The Russian Federation President's Commission for Cooperation Between Federal Organs of State Power and Russian Federation Component Organs of State Power in Implementing Constitutional and Legal Reform in Russian Federation Components (hereinafter, the commission) is the coordinating and consultative organ under the Russian Federation President which promotes the implementation by the Russian Federation president of his constitutional powers in ensuring that the constitutions and laws of republics, and the charters, laws, and other normative legal acts of krays, oblasts, cities of federal status, the autonomous oblast, and autonomous okrugs conform to the Russian Federation Constitution and federal laws, and also ensures

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cooperation between federal organs of state power and Russian Federation component organs of state power in implementing constitutional and legal reform in Russian Federation components.

2. The commission implements its activity guided by the Russian Federation Constitution, federal laws, Russian Federation presidential edicts and directives, and by this statute.

3. The commission's main tasks are:

to ensure cooperation between federal organs of state power and Russian Federation component organs of state power in the process of elaborating and adopting republic constitutions and the charters of krays, oblasts, cities of federal status, the autonomous oblast, and autonomous okrugs, in defining the general principles for the organization of the system of organs of state power and organs of local self-government, and for administrative-territorial division, and in solving other questions linked to the implementation of constitutional and legal reform in Russian Federation components;

to elaborate and submit to the Russian Federation president proposals on the measures required to ensure the conformity with the Russian Federation Constitution and federal laws of the constitutions and laws of republics, and the charters, laws, and other normative legal acts of krays, oblasts, cities of federal status, the autonomous oblast, and autonomous okrugs;

to promote coordinated activity between federal executive organs, structural subunits of the Russian Federation Presidential Staff, and structural subunits of the Russian Federation Government Apparatus in ensuring the conformity with the Russian Federation Constitution and federal laws of the constitutions and laws of republics, and the charters, laws, and other normative legal acts of krays, oblasts, cities of federal status, the autonomous oblast, and autonomous okrugs, as well as organizing legal expert reviews of corresponding normative legal acts;

to promote the eradication of any possible differences between federal organs of state power and Russian Federation component organs of state power, between top Russian Federation component state organs, and between Russian Federation component legislative (representative) and executive organs of state power on questions of the implementation of constitutional and legal reform in Russian Federation components;

to draw up proposals on the utilization by the Russian Federation president of conciliation procedures to resolve such differences in accordance with Article 85 of the Russian Federation Constitution, and to promote the activities of the corresponding conciliation commissions;

to draw up proposals linked to appeals to the Russian Federation Constitutional Court proposed for submission by the Russian Federation president, to questions on the constitutionality of Russian Federation components' normative legal acts, and to petitions on the resolution of disputes on the delimitation of powers between federal organs of state power and Russian Federation component organs of state power, between Russian Federation component top state organs, or between Russian Federation component legislative (representative) and executive organs of state power;

to draw up proposals on the suspension by the Russian Federation president of acts issued by Russian Federation component executive organs in accordance with Article 85 of the Russian Federation Constitution;

to draw up proposals on the improvement of the legal regulation of questions of cooperation between federal organs of state power and Russian Federation component organs of state power, and of the constitutional status of Russian Federation components, and on ensuring the conformity with the Russian Federation Constitution and federal laws of the constitutions and laws of republics, and the charters, laws, and other normative legal acts of krays, oblasts, cities of federal status, the autonomous oblast, and autonomous okrugs; to draw up draft federal laws and Russian Federation presidential directives and edicts on the aforesaid issues in accordance with instructions from the Russian Federation president and the commission's working plans;

to brief the Russian Federation president on problems relating to the implementation of constitutional and legal reform in Russian Federation components.

4. In implementing its activity the commission is entitled to:

request and obtain under the established procedure the necessary information from federal organs of state power, Russian Federation component organs of state power, organs of local self-government, and social and scientific organizations;

monitor the quality of legal information and the timeliness with which normative legal acts adopted by Russian Federation component organs of state power are forwarded to the Russian Federation Ministry of Justice and the Russian Federation President's State Legal Administration;

hear at its sessions information from federal executive organ officials, as well as officials from Russian Federation component organs of state power on the questions

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of ensuring the conformity with the Russian Federation Constitution and federal laws of the constitutions and laws of republics, and the charters, laws, and other normative legal acts of krays, oblasts, cities of federal status, the autonomous oblast, and autonomous okrugs, as well as on the legal issues of cooperation between federal executive organs and Russian Federation component organs of state power;

create expert and working commissions involving specialists to prepare certain questions to be examined at commission sessions.

5. The chairman of the commission, the deputy chairman of the commission, and the composition of the commission are ratified by Russian Federation presidential edict.

6. Commission sessions are held in accordance with the commission's work plan. Extraordinary sessions can be convened by the commission chairman on his initiative, following a proposal from at least one-third of the commission members, or following a proposal from interested federal organs of state power or Russian Federation component organs of state power.

Commission sessions have a quorum if attended by more than half the commission members. Commission decisions are adopted by a simple majority vote.

Commission sessions are chaired by the commission chairman or, on his instructions, the deputy chairman of the commission.

7. Commission decisions are recommendations.

Commission decisions are sent to the Russian Federation president and to corresponding federal organs of state power and Russian Federation component organs of state power.

8. Legal backup for the commission's activities is provided by the Russian Federation president's State Legal Administration; organizational backup is provided by the Russian Federation Presidential Staff Administration for Work with the Territories, and by other Russian Federation Presidential Staff structural subunits, while material and technical backup is provided by the Russian Federation president's Administration of Affairs.

Composition of the Russian Federation President's Commission for Cooperation Between Federal Organs of State Power and Russian Federation Component Organs of State Power in Implementing Constitutional and Legal Reform in Russian Federation Components

N.D. Yegorov, chief of the Russian Federation Presidential Staff (commission chairman);

Yu.I. Vechkasov, chairman of the Penza Oblast Legislative Assembly;

A.A. Volkov, chairman of the Udmurt Republic State Council;

N.A. Isakov, chairman of the Arkhangelsk Oblast Assembly of Deputies;

A.I. Kazakov, chief of the Russian Federation Presidential Staff Administration for Work with the Territories;

V.A. Kovalev, Russian Federation minister of justice;

A.P. Kozlov, chief of the Russian Federation Government Apparatus' Department for Cooperation with Russian Federation Regions;

A.I. Lisitsyn, governor of Yaroslavl Oblast;

V.N. Likhachev, chairman of the Republic of Tatarstan State Council;

A.V. Maslov, deputy chief of the Russian Federation president's State Legal Administration;

N.I. Merkushkin, head of the Republic of Mordovia;

V.A. Mikhaylov, Russian Federation minister for nationalities affairs and regional policy;

Yu.V. Neyelov, head of the Yamalo-Nenetsk Autonomous Okrug Administration;

R.G. Orekhov, chief of the Russian Federation president's State Legal Administration;

E.E. Rossel, governor of Sverdlovsk Oblast;

S.N. Samoylov, deputy chief of the Russian Federation Presidential Staff Administration for Work with the Territories;

Ye.S. Sapiro, chairman of the Perm Oblast Legislative Assembly;

L.V. Semergey, chairman of the Volgograd Oblast Duma;

Ye.S. Stroyev, head of the Orel Oblast Administration;

M.Yu. Urnov, chief of the Russian Federation president's Analysis Administration;

A.V. Filipenko, head of the Khanty-Mansiysk Autonomous Okrug Administration;

I.G. Tsyganenko, chief the Russian Federation Government Apparatus' Legal Administration.

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Federal Assembly

Russia: Draft Law on Securities Market Rejected

LD0702124196 Moscow INTERFAX in English 1137 GMT 7 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 7 (INTERFAX) — On recommendation from the Committee for the Budget and Financial, Currency and Credit Regulation, the Russian Federation Council turned down the draft law on the securities market.

Committee chairman Konstantin Titov announced that his committee's opinion was shared by the chairman and vice-chairman of the State Duma committee in charge of the same issues.

He said the draft had 13 points which needed to be clarified, among them the provision on combining the broker's and dealer's functions, said Titov.

"It's not a law but a bureaucratic instruction," said Mayor of St.Petersburg Anatoliy Sobchak.

The draft was approved by the State Duma and the Federation Council back in July 1995, but was turned down by President Yeltsin. Following a repeat discussion last November, the State Duma approved it once again, in the old edition.

A report presented by the Budget Committee says that the president's critical remarks dealt with changing the status of the Federal Commission on the securities market; removing state securities from the sphere of regulation by the present law, and its failure to comply with individual provisions of the Civil Code.

The Federation Council is to set up a conciliatory commission jointly with State Duma deputies to work out a compromise draft.

Russia: Zyuganov, Zhirinovskiy Set Out Agendas

LD0702121996 Moscow Russian Television Network in Russian 1100 GMT 7 Feb 96

[Correspondent M. Lillevyali video report; from the "Vesti" newscast]

[FBIS Translated Text] The leaders of the State Duma factions today set out their programs, or, as the agenda of the day put it, defined the priorities for the State Duma's legislative work. Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, declared the need to revoke the Belovezhskaya agreements [dividing up the USSR]. True, according to him, the arrival of the Communists in power would not mean the forced unification of the republics of the former Union. Zyuganov believes that there is now a need for a law on the decrees of the president and the orders of his administration which, in his words, are creating lawlessness in the country:

[Begin Zyuganov recording] We believe that our fatherland's chief misfortune is that in recent years, all power has been concentrated in the hands of the executive authority, which does not answer to the people and is beyond the control of the legislative assembly among others. [end recording]

The leader of the Communists reminded the deputies that his party favors a multiplicity of forms of ownership and would not confiscate anything from anyone. True, the Communists' priority is, nonetheless, to hand ownership over to the collective.

In his speech, Gennadiy Zyuganov also condemned the military actions in Chechnya and proposed setting up a commission with representatives of the president, the government, and the Federal Assembly. It would be headed by a special deputy prime minister.

Vladimir Zhirinovskiy, as usual, turned his speech into a performance. The scope was very broad, ranging from smashing the Belovezhskaya agreements to the failure to pay miners their wages and the collapse of the army. No one escaped, communist or democrat:

[Begin Zhirinovskiy recording] Now I am telling the democrats, the democrats will go on trial. Every democrat will go on trial. We will be lenient toward the Communists in view of their old age, but the democrats will go on trial. [end recording]

Zhirinovskiy took great offence at Gennadiy Zyuganov over the recent incident at Davos, where, for him, Yavlinskiy and Zyuganov emerged as touching models of unanimity:

[Begin Zhirinovskiy recording] In 1999, there will be one faction here [Zhirinovskiy points to the front rows of the chamber] — the LDPR [Liberal Democratic Party of Russia], and the opposition, part of the Communists, will get a little of the corner over there. Taking into account the personal contribution of Gennadiy Andreyevich Zyuganov to the construction of developed capitalism, we will allow that faction to be present in the parliament in 1999. [end recording]

Russia: Duma 'Must Insist' on Sanctions Against Estonia

LD0602231296 Moscow INTERFAX in English 1953 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — Russian State Duma Deputy Chairman Sergey Baburin, of the Popular Power group of deputies, said that the State Duma must insist on the implementation

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of its resolution regarding the imposition of economic sanctions against Estonia. The resolution's adoption was initiated by Baburin.

Economic sanctions must be applied to Estonia because of the "gross violation of human rights" in that country, Baburin said at a meeting with Deputy Chairman of the Estonian Republican Union of Russian Citizens Pyotr Rozhok Tuesday.

The State Duma, the federal parliament's lower chamber, passed the resolution on sanctions against Estonia on March 24, 1995, to protest against Tallinn's decision to deport P. Rozhok, who had been permanently living in Estonia. Tallinn has accused Rozhok of "damaging the state's security and igniting hatred, violence and discrimination."

Rozhok was expelled from Estonia after the Tallinn City Court failed on February 1, 1995, to overturn the corresponding decision made by the Estonian Department on Citizenship and Immigration.

Russia: N. Caucasus Commander Deplores Army's Lack of Funds

LD0602211096 Moscow NTV in Russian 1600 GMT 6 Feb 96

[Report over video from State Duma by correspondent Arkadiy Mamontov, including recording of interview with Colonel General Anatoliy Kvashnin, commander of North Caucasus Military District — from the "Segodnya" newscast]

[FBIS Translated Text] Even the military cannot avoid discussions within the walls of the Federal Assembly. Colonel General Anatoliy Kvashnin, commander of the North Caucasus Military District, went to the State Duma today.

[Mamontov, over video of Duma deputies, committee room] Anatoliy Kvashnin's address to the Duma Defense and Security Committee went on for nearly two hours. The general briefed the parliamentarians in detail about the history of Russia and the military-political situation in Chechnya. In his view, the situation in the republic is not deteriorating. There are individual gangs in Chechnya, some of them are frankly criminal gangs, while others are more politicized. There is no organized opposition to the federal troops, and the population is weary of war and wants peace, the general declared. He said the troops can be withdrawn only if the safety of the local population is guaranteed, and if the bandit formations are eliminated as soon as possible, by special subunits rather than the army. All the more in that the gangs there, the commander said, number at most 150-200 men in each gang, and they are scattered all over Chechnya. But the military know where they are. Stabilization in the republic can be brought about by using the principle of hot and cold [as heard], Anatoliy Kvashnin asserts.

Interestingly, the commander of the North Caucasus Military District gave the same amount of information to the Russian president, but confined himself to half an hour.

[Kvashnin, interviewed in committee room] I said the same thing, absolutely the same.

[Mamontov] And what was his reaction?

[Kvashnin] Very good and positive. Quite right, he said, that is how all these matters should be dealt with, he said.

[Mamontov] After the committee session, we managed to put some questions to the general. The commander voiced his position on troop withdrawal, and put forward his plan.

[Kvashnin] No problem! We will withdraw, once the safety of individuals in the region is ensured. What's the problem? I even suggested this: why all at once? There is a district where everything is calm and things are normal — let us withdraw from there. Then the next one. That would even be a stimulus for other districts in Chechnya: Things are fine for these people here, but those there are being shot at and killed.

[Mamontov] As regard the calamitous state of the army in Chechnya, the general has his own opinion on that, too.

[Kvashnin] The army is badly supplied.

[Mamontov] Why?

[Kvashnin] Stump up some money, things will be OK. There's no problem, it is all a matter of finance. So what do you want: The army owes a debt to the state, and you owe a lot to the army. If you want to have an army, give us some money. If you don't, then don't!

[Mamontov] But so many thousands of billions are being allocated to Chechnya, and we don't have any money.

[Kvashnin] What trillions! Give it to the army, give to the army and we will sort things out there. No money is being handed out, you have not even given anything to civilian life.

[Mamontov] To judge from all events, Colonel General Kvashnin's first, emotional address in the Duma, and all the more so his accusations of lack of finance for the army in Chechnya, accord with the news conference by

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Russian General Prosecutor Yuriy Skuratov yesterday, where the latter spoke of the same thing. Everything prompts one to think that some plan by the Russian president has been put into action to change the state of affairs in Chechnya in the very near future.

Russia: Legislative, Regulatory Documents 28 Jan-3 Feb

96P50045

[FBIS Report] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parentheses indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

RUSSIA:

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

Government 4 December Decree No. 1189 On Funding Oil-Refinery Modernization. (Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 96 p 6) (750)

Government 15 December Decree No. 1236 On Partial Alteration Of List Of Goods Whose Export Is Effected In Accordance With International Commitments Of Russian Federation. (Moscow ROSSIYSKAYA GAZETA in Russian 31 Jan 96 p 5) (200)

Yeltsin 18 December Decree No. 1256 Approving Appended (But Published In 'Business In Russia' Section) Program For State Support Of Small business In 1996-1997. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jan 96 p 6) (250)

Government 26 December Decree No. 1269 On Measures To Develop Ore Base Of Bashkir Copper Combine. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 11) (500)

Government 26 December Decree No. 1282 Approving Statute (Not Published) On Money Rewards For Discovery Of Deposits Of Useful Minerals, Plus Linkov Commentary On Main Provisions. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 4) (150/450)

Yeltsin 26 December Edict No. 1302 Approving Appended Statute On Federal Service Of Russian Federation Railroad Troops And Statute On Russian Federation Railroad Troops. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jan 96 pp 3, 4) (300/3800/5500) (Text)

Government 8 January Directive No. 8 Instructing Ministry Of Finance To Allocate R[illegible]15 Billion For Elaboration Of Program For Development Of Resort Of Sochi. (Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 96 p 5) (150)

Government 9 January Directive No. 18 Allowing Federation Component Organs Of Executive Power To Use Grain Procurement Funds Allocated From Federal Budget For Purchase Of Feed Grain And Transportation Of Purchased Food And Feed Grain. (Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 96 p 5) (250)

Government 16 January Directive No. 50 Approving Appended List Of Main Categories Of Strategic Mineral Raw Materials. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 12) (200)

Government 20 January Decree No. 53 On Additional Support For The Export Of Russian Goods And Services. (Moscow ROSSIYSKAYA GAZETA in Russian 31 Jan 96 p 6) (1800)

Presidential 20 January Edict No. 70 On Changes To 17 September 1994 Edict On Private Investment In Russian Federation. (Moscow ROSSIYSKAYA GAZETA in Russian 31 Jan 96 p 5) (600)

Federal Law No. 13, Signed By Yeltsin 22 January, Adopted By State Duma 15 November, Approved By Federation Council 5 January 'On Special Economic Zone In Kaliningrad Oblast.' (Moscow ROSSIYSKAYA GAZETA in Russian 31 Jan 96 p 4) (5000)

Government 27 January Directive No. 102 Ordering Finance Ministry To Allocate Repayable R6 Billion To Krasnodar 'Ofset' Printing Plant To Purchase Aluminum Offset Plates, Roskompechat To Adopt 'Urgent Measures' For The Combine's Economic Stabilization, Plus Aleksandr Sharov Comment. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 5) (200/500)

Yeltsin 1 February Edict No. 134 On Additional Measures To Ensure Prompt Payment Of Wages To Workers In Budget-Funded Sphere. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 1) (200) (Text)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Government 25 November Directive No. 1628 Agreeing That Foreign Currency Funds Held By International Confederation Of Theatrical Unions Should Be Used

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To Finance Chekhov Festival In Moscow 27 March-27 June 1996. (Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 96 p) (250)

Government 26 December Directive No. 1754 Allocating $70,000 To State Committee For Higher Education For Supplementing Stipends Payable To Students Abroad. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 12) (200)

Government 6 January Directive No. 2 Approving FRG Bank Loans Of DM92.37 Million For Financing Purchase Of Equipment For Rostselmash Joint-Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jan 96 p 1) (250)

Government 12 January Decree No. 20 Approving Appended (But Not Published) Draft Agreement With Laos On Cooperation In Struggle Against Drug Trafficking, Instructing Foreign Ministry To Conduct Talks Leading To Signing Of Agreement. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 11) (300)

Government 12 January Decree No. 21 Approving Appended (But Not Published) Draft Agreements With Moldova On Cooperation In Cartography, Instructing Federal Geodesy And Cartography Service To Conduct Talks Leading To Signing Of Agreement. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 11) (300)

Government 12 January Decree No. 30 Approving Appended (But Not Published) Draft Agreement With Moldova On Social Guarantees And Pensions For Former Servicemen, Appointing Chief Of General Staff Kolesnikov And Ground Forces Deputy C-In-C Sokolov Government Spokesmen During State Duma Hearings On Ratification. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 11) (200)

Government 15 January Decree No. 29 Approving Appended (But Not Published) Draft Agreement With Ukraine On Joint Commission For Cooperation. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 11) (100)

Presidential 15 January Directive No. 19 On Accepting Government Recommendation For Concluding Agreement With Ukraine On Setting Up Joint Russian-Ukrainian Commission On Cooperation. (Moscow ROSSIYSKAYA GAZETA in Russian 31 Jan 96 p 5) (60)

Government 16 January Decree No. 34 On Setting Up Russian Trade Mission In Estonia. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 11) (250)

State Duma Decree No. 6-ii Of 17 January Amending Duma's Standing Orders. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jan 96 p 6) (400)

Government 17 January Decree No. 47 Approving Appended (But Not Published) Draft Agreement With Azerbaijan On Basic Principles And Avenues Of Economic Cooperation Through The Year 2000. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 12) (250)

Constitutional Court Ruling No. 2-ii Of 18 January On Constitutionality Of Several Provisions Of Altay Kray's Charter. (Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 96 pp 3, 4) (5000)

Yeltsin 20 January Edict No. 71 Approving Appended Statute On Interdepartmental Commission For Protection Of State Secrets, Appended (But Not Published) 'Strucaure' Of The Commission, And Appended List Of Ex Officio Members. (Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 96 p 3) (600/2400/400) (Text)

Government 23 January Decree No. 57 'On Immediate Measures To Eliminate The Consequences Of The Terrorist Act Committed In The Republic Of Dagestan In January 1996.' (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jan 96 p 3) (1100) (Text)

Government 23 January Decree No. 58 'On Rendering Of Assistance To Persons Who Have Fallen Victim To The Terrorist Act In The Republic Of Dagestan In January 1996.' (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jan 96 p 3) (800) (Text)

Yeltsin 25 January Edict No. 93 On Deferment Of Military Service For 'Individual Representatives Of Talented Youth.' (Moscow ROSSIYSKAYA GAZETA in Russian 30 Jan 96 p 3) (300)

Yeltsin 25 January Edict No. 94 Confirming Chief Of Staff Yegorov As Chairman Of Presidential Commission For Interaction Between Federal, Federation Component Authorities In Conducting Constitutional-Legal Reform On RF Components, Plus Text Of Commission Statute, Listing Of Commission Membership. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 4) (2000) (Text)

Presidential 25 January Edict No. 97 On RF Federal Commission On Lotteries And Gaming. (Moscow ROSSIYSKAYA GAZETA in Russian 31 Jan 96 p 5) (200)

Government 27 January Decree No. 61 On Payment Of Per Diem Allowance To Armed Forces, MVD Personnel Serving In Chechnya. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 5) (400)

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Yeltsin 29 January Directive No. 32 Ordering Holding Of 5-6 March Moscow All-Russia Congress On Legal Reform, Approving Organizing Commission Membership, Organizational Plan (Not Published). (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 5) (250)

Yeltsin 30 January Edict No. 123 On Qualification Requirements For State Posts In Federal Civil Service. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 4) (600)

Federal Law No. 16 On 'Ingushetia' International Business Center Adopted By Duma 8 December, Approved By Federation Council 15 January, Signed By Yeltsin 30 January. (Moscow ROSSIYSKAYA GAZETA in Russian 3 Feb 96 p 4) (3400)

SECTION III: SCIENCE AND TECHNOLOGY

Presidential 25 January Edict No. 96 On RF Federal Service For Regulation Of Natural Monopolies In The Communications Sphere. (Moscow ROSSIYSKAYA GAZETA in Russian 31 Jan 96 p 5) (350)

KAZAKSTAN:

Nazarbayev-Signed 24 January Law On State Symbols. (Almaty KAZAKHSTANSKAYA PRAVDA in Russian 26 Jan 96 pp 1-2) (1800) (Text)

UKRAINE:

Decree No. 657-i And Statute, Dated 21 December, On Crimean Supreme Soviet Permanent Commissions. (Simferopol KRYMSKIYE IZVESTIYA in Russian 4 Jan 96 p 1) (2000) (Text)

Supreme Soviet 23 January Decree Clearing 1995 Ukrainian Sate Budget And Local Budget Debt For Salaries, Pensions, Stipends And Other Monetary Payments To The Populace. (Kiev GOLOS URRAINY in Russian 26 Jan 96 p 20) (500) (Text)

Regional Affairs

Russia: Yeltsin Amends Draft Law on Kaliningrad Oblast

MM0602144696 Moscow ROSSIYSKIYE VESTI in Russian 6 Feb 96 p 1

[Unattributed report under the "President" rubric: "Draft Law Submitted for State Duma's Consideration"]

[FBIS Translated Text] The Russian Federation president has submitted for the State Duma's consideration the draft federal law "On Making Amendments and Additions to the Federal Law 'On the Special Economic Zone in Kaliningrad Oblast.'"

The accompanying document sent to State Duma Chairman Gennadiy Seleznev states, in particular, that "the making of amendments and additions to the the said federal law has been prompted by vagueness in the federal law as regards questions connected with the procedure for forming and operating the economic zone's administration and with the performance of individual functions of this administration by organs of executive power of a component of the Russian Federation."

Russia: Yeltsin Envoy on Power Sharing Agreement With Kaliningrad

WS0602155496 Kaliningrad YANTARNYY KRAY in Russian 17 Jan 96 p 1

[Report by O. Markova, including commentary by Presidential Representative to Kaliningrad Oblast T. Poluektova on signing the agreement on the division of authority between the Russian Federation State Administration and Kaliningrad Oblast Administration: "Agreement and Law — in One Bundle" — first paragraph is YANTARNYY KRAY introduction]

[FBIS Translated Text] As is already known to our readers, an official ceremony of signing the agreement on the division of authority and objects of supervision between the bodies of the Russian Federation State Administration and our region was held in Moscow on 12 January. At the same time, three other agreements were signed in the governmental office: on science, culture, and education. We have asked a participant of this ceremony — T. Poluektova, presidential representative to Kaliningrad Oblast, to comment on this event, which is extraordinary for our oblast.

Ms. Poluektova said that similar kinds of agreements are envisaged by the Russian Federation's Constitution and exist already between the center and a number of [autonomous] republics. In light of this, Kaliningrad and Sverdlovsk Oblasts were the first oblasts to have signed such a document.

The document creates legal foundations for signing the law "On the Free Economic Zone in Kaliningrad Oblast." Those documents are in one package. In light of this, I would like to point out that Sections 7 and 8 of the Law — the essence of which concerns customs and tax privileges — are included into the agreement on the division of authority. In particular, these sections stipulate that the Russian Federation guarantees the reimbursement of funds spent on transit of freight through the territory of adjacent states, and import-export taxes on freight shipped through our transport center. The signed agreement also gives the possibility to create local privileged customs zones on the oblast's

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territory, and thus avoid inclusion into Russia's customs area.

Undoubtedly, a number of agreements and resolutions at the governmental level are necessary for the implementation of this agreement. In light of this, the bodies of local legislative and executive powers have to proceed with a great deal of work for their drafting and approval at the federation level. After all, besides the aforementioned issues of transit of freight and the creation of customs zones, the agreement touches upon an entire spectrum of the objects of supervision. These are the issues of migration, the division of state property, the disposal and use of depths and natural resources, social protection of servicemen, the development of foreign economic relations, and a number of other important socioeconomic aspects of our region's development.

T. Poluektova spoke quite interestingly about the Kaliningrad delegation's short meeting with the Russian Federation's president which occurred before the agreement signing ceremony. According to Poluektova, the president approached members of the Kaliningrad delegation "alive and well." B. Yeltsin expressed his satisfaction with the fact that heads of the legislative and executive powers came together to participate in the ceremony, and asked about their mutual relations. The pause which occurred was "filled up" by T. Poluektova herself, who said the following: "Relations are diverse." Responding to this, B. Yeltsin said something to the effect that it was necessary to put aside our personal ambitions and remember that we work for the people and their needs. "If you remember this, you will arrive at a common opinion. This should be the primary thing."

After signing the agreement, Russian Federation President B. Yeltsin pointed out that now we can talk about federalism in action.

Concluding her short commentary, T. Poluektova saw the significance of the signed agreement as an opportunity to strengthen statehood on the oblast's territory. At the same time, the document will undoubtedly stimulate progressive socioeconomic development in the region.

Russia: Official Cited on Worsening Situation in N. Ossetia

MK0702123296 Moscow SEGODNYA in Russian 7 Feb 96 p 2

[Report by Natalya Gorodetskaya: "Vladimir Lozovoy Fears Worsening Situation in North Ossetia"]

[FBIS Translated Excerpt] [Passage omitted] There are enough internal reasons to be concerned in the republics of the North Caucasus, especially in North Ossetia and Ingushetia. Tension is being also kept up by the fact that questions relative to the return of Ingush refugees to North Ossetia's Prigorodnyy Rayon are not being solved. SEGODNYA has already written that the temporary Russian Federation State Committee on the elimination of the Ossetia-Ingushetia conflict's aftermath drew up an estimate providing for a special fund of more than 600 billion rubles from the Russian budget for the rebuilding of housing and infrastructure in the villages to where the Ingush [refugees] are to return. There is no money, however, and, according to the committee head Vladimir Lozovoy, "we are not going to see this sum after all despite the fact that it was supposed to be set aside on Boris Yeltsin's personal instructions." The rebuilding of infrastructure is slowing down. The Ingush refugees, who have lost hope to go back to their homes this summer and who realize, as Mr. Lozovoy put it, that this process might "drag out indefinitely," have created a public organization for "upholding their rights." During a conference held in Nazran, refugees demanded in a rather sharp form that the local and federal authorities deliver on their promises and help them return to their homes.

Vladimir Lozovoy thinks that should the problems be further "frozen," we can expect a worsening of the social climate in North Ossetia. "This might even happen as soon as this spring," the committee chairman stressed.

Recent terrorist acts in Vladikavkas make the situation even more tense, of course. The blasting of the monument commemorating friendship between the Russian and the Ossetian peoples followed by the bombing of a Sunni mosque, and, finally, the desecration of the Christian cemetery in Beslan the day before yesterday [5 February], where about 70 tombstones were disfigured or destroyed, are seen in North Ossetia as "deliberate, planned, and consistent actions aimed at destabilizing the situation."

Russia: Cossacks Decide To Register Troops in Kazakhstan

LD0502132296 Moscow INTERFAX in English 1123 GMT 5 Feb 96

[FBIS Transcribed Text] ALMATY, Feb 5 (INTERFAX) — The Cossacks of Semirechya, a region in Kazakhstan, decided at a meeting yesterday to register their troops with the Kazakh Ministry of Justice as a public organization, and re-elected their chief Nikolay Gunkin for the next two years, Aleksandr Ushakov, the chief's assistant, has reported.

The meeting was attended by 135 cossack leaders from the Almaty, Taldy-Kurgan, Chimkent, Ust-Kamenogorskaya, and Pavlodarskaya areas.

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Gunkin was released from jail on January 27th after serving a three month sentence for staging unauthorized cossack meetings and demonstrations in Almaty.

Russia: Luzhkov Scores Points in Struggle With Center

MK0302111496 Moscow KOMMERSANT-DAILY in Russian 3 Feb 96 p 2

[Report by Leonid Brodskiy: "There Have Been No Bankruptcies in Moscow, Nor Will There Be Any"]

[FBIS Translated Text] The wave of personnel changes that began at the top has now reached mid-level administrators. As KOMMERSANT-DAILY reported earlier, Valeriy Saykin, former president of AMO [expansion unknown] ZIL [automaker] and chairman of its board, was appointed head of the Moscow Territorial Insolvency (Bankruptcy) Division the day before yesterday. The replacement of a key official in a hitherto influential department under Anatoliy Chubays with an open supporter of the mayor is very telling. It shows above all that the bastions of liberalism in the Russian apparat continue to throw in the towel without a fight.

The appointment of Valeriy Saykin as head of the Moscow Territorial Insolvency (Bankruptcy) Division the day before yesterday certainly cannot be compared to the resignation of Anatoliy Chubays or Sergey Belyayev. The Moscow [city] authorities, however, do not scoff at small victories, especially considering that bankruptcy Moscow-style (unlike privatization) has not as yet been legitimized, and this visibly annoys Yuriy Luzhkov. The Moscow authorities become especially sensitive when such large enterprises as AMO ZIL are concerned.

Not even the most zealous legitimizer of the Moscow Territorial Enterprise Insolvency (Bankruptcy) Division would dare suggest that it posed a serious threat to the mayor's economic policy, even though this department was involved in some rather noisy scandals (for example, the sale of the Moscow Vitamin Plant). But the fact that a city agency was directly subordinated to the federal authorities made City Hall jittery. It was even more irritated by the fact that the federal administration was headed by liberal economist Petr Mostovoy, from the camp of Luzhkov's enemies.

True, the intransigence of the federal administration and its Moscow division was rather relative. The Moscow authorities are still convinced that bankruptcy is an unacceptable method of managing state property. In its confrontation with the "sound managers" from the city government, the Federal Insolvency (Bankruptcy) Administration surrendered one position after another. Early last year Petr Mostovoy declared his wish to organize a show bankruptcy of ZIL. A year later he refused to comment on the appointment of the plant's former director as his territorial representative.

The mayor's struggle for the territorial structures of the federal executive branch in his city has never stopped. It is enough to recall last year's collision with the State Antitrust Committee's Moscow Division, which in the end ceased to exist as an independent department and was evicted beyond Moscow's Outer Ring Road [Moscow city boundary]: It was merged with the State Antitrust Committee's Regional Administration.

An even easier option was used with respect to the Moscow Regional Insolvency (Bankruptcy) Division: Its head was changed. Valeriy Saykin's appointment can hardly be called accidental: Yuriy Luzhkov has much more reason to trust him than the previous head of the administration, Viktor Koltsov. After all, Saykin, who brought his plant to a deep crisis, took up the mayor's idea to nationalize ZIL.

Russia: Sverdlovsk Governor on New Military Conversion Plan

LD0602164696 Moscow Russian Television Network in Russian 1400 GMT 6 Feb 96

[From the "Vesti" newscast]

[FBIS Translated Text] At some of the Urals military-industrial complex enterprises, wages have not been paid since December — at others, since August of last year. It is unclear what, if any, orders the state will place for the so-called main output and even for the famous self-propelled artillery vehicles which won first prize at Abu Dhabi. The producer, the Uralskiy Transport Machine Building Works situated in Yekaterinburg, places its only hopes now on conversion. The works intends to produce trams for Russian cities jointly with the designers of the missile center in Miass, of Chelyabinsk Region. Large sums will be needed to equip the workshops, but the treaty and the agreements signed in the capital with Sverdlovsk Region open up new possibilities to carry out the process of conversion of defense enterprises jointly.

[Begin Eduard Rossel, Sverdlovsk Region governor, recording] The financing scheme will now be altered, following the signing of the agreement. Before we used to pay our taxes to Moscow and Moscow would then pay for defense orders placed with our works. Now, the Sverdlovsk Region treasury directorate will finance our military works directly. The financing will be on the level of the execution of the Russian budget. [end recording]

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It is thought that for the time being, we will let the Czech trams come to the end of their useful life and that the first trams from the Urals will make their appearance in a year. Their quality will be just as good, but they will be cheaper. [video shows small tracked vehicles with turrets and guns, interior of works, Rossel interview]

Russia: Sakhalin Oblast Governor Upbeat About Economic Prospects

MM0602151896 Moscow KOMSOMOLSKAYA PRAVDA ("Business Tuesday" Section) in Russian 6 Feb 96 p I

["Own Information" report: "Island of Sun"]

[FBIS Translated Text] Yuzhno-Sakhalinsk — Sakhalin's power generation industry is expecting an increase in capacity, I. Farkhutdinov, governor of the island oblast, said at a press conference. He is pinning particular hopes on the start of the construction and maybe even the commissioning this year of the first phase of a new power station in the settlement of Nogliki. Farkhutdinov assessed as optimistic the prospects of other leading industries in the oblast, including the oil and gas and coal industries. Stabilization in the latter is linked primarily with a move to open-cut mining. According to the governor, an increase in timber exports is expected, along with the intensive retooling of the fleet and the fish processing industry.

Russia: Far Eastern Gold Industry Problems Described

MM0602151596 Moscow KOMSOMOLSKAYA PRAVDA ("Business Tuesday" Section) in Russian 6 Feb 96 p I

[Report by Vladimir Okhotskiy: "Return to the Gold Pan"]

[FBIS Translated Text] In the best of times Kolyma and Chukotka provided the country with 120-130 tonnes of gold a year. In 1995 mining and enrichment combines and artels panned out just over 24 tonnes of the precious metal.

Just 20 percent of the requisite funds have been earmarked for the 1996 program, Aleksandr Menshov, general director of the "Severovostokzoloto" Joint-Stock Company, said.

Aleksandr Menshov sadly remembered the time when there were still normal prices of metal, an acceptable credit rate, and fair prices for diesel fuel, electricity, explosives, machinery, and equipment. In the past year "Severovostokzoloto" has sold metal worth 800 billion rubles [R], R500 billion of which was immediately seized in taxes and mandatory payments.

Incidentally, last year "Severovostokzoloto" lost R112 billion with the currency band while the oblast as a whole lost R170 billion. The "stabilization of the ruble" resulted, among other things, in gold prices dropping by 14 percent in the period May through October because the dollar exchange rate was kept in check while prices of "mainland" suppliers' output rose by a factor of 2.1 and the unprecedented flooding in Susumanskiy, Yagodninskiy, and Tenkinskiy Rayons resulted in losses of R70 billion.

There is not a single profitable mining and enrichment combine left in the oblast. Artels and small enterprises are still surviving somehow: They are moving to antediluvian, primitive methods of ore washing, selecting in the process the best gold-bearing areas.

Economic Issues

Russia: Yeltsin Concerned for Spring Farming, Food Supply

LD0602185696 Moscow INTERFAX in English 1653 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — Russian President Boris Yeltsin shares the government's intention to boost the support of the agroindustrial complex, Deputy Prime Minister Aleksandr Zaveryukha told INTERFAX in an exclusive interview Tuesday.

Yeltsin is concerned about the preparation for the spring field works and the general situation of the food supply in the country, Zaveryukha said in comment on his meeting with Yeltsin earlier Tuesday afternoon. Yeltsin agreed with a draft government resolution on measures to stabilize the situation in agriculture for 1996, he said. Yeltsin has even written instructions to all ministries and bodies "to ensure the full implementation of this decision" on the document, Zaveryukha said.

"Considering the capabilities of the federal budget, state support of agricultural producers will be boosted by leasing equipment and credits against fuel, lubricants and mineral fertilizers," Zaveryukha said. This year's budget set aside 13.1 trillion rubles to support agriculture. As much as 60 percent of the total budget allocations will already be remitted in the first half of the year, he said.

Yeltsin backed the proposal to reschedule the payment of last year's credits against goods for agricultural producers who were affected by a heavy drought last summer until at least January 1, 1998.

Zaveryukha said he was "fully satisfied with the 45-minute conversation with the president," though the

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document approved did not solve all the problems of agriculture.

Russia: Grain Purchases From 1995 Harvest Nearly Complete

MM0602154396 Moscow ROSSIYSKIYE VESTI in Russian 6 Feb 96 p 3

["Review of Grain Market" by Artem Lysenko: "Under Pressure of Trillion-Ruble Credits"]

[FBIS Translated Text] State grain purchases from the 1995 harvest are nearing completion. The "Roskhleboprodukt" Federal Corporation and the Federal Food Corporation have now poured into the "motherland's granaries" as much grain as the money has allowed in order to supply Moscow, St. Petersburg, the Army, and the MVD [Ministry of Internal Affairs] troops. This means that we have stopped "throwing out" onto the market colossal sums which could distort the price and seriously influence the market situation.

According to official data, the state target for grain procurements has been fulfilled 19 percent, i.e. 1.634 million tonnes have been acquired out of the planned 8.6 million tonnes. The figures attest, rather, to the big failure of the purchasing campaign, although, if we compare them with last year's at the same date, we can see that there is more grain in the "motherland's granaries" today. Despite the bad harvest. Back in January Aleksandr Zaveryukha, vice premier of the government, said several times that the state had sufficient money to acquire a still larger quantity of grain crops, so as to almost entirely supply the country with grain. But, according to him, there is no need for this because, given the stable wheat supply on the market, it is far more advantageous to make purchases gradually and only on the Russian market. Not that that statement tallies with the results of a study by the Russian Federation Ministry of the Economy, which forecasts Russia's imports at 5-6 million tonnes in the spring and summer of 1996. Time will show who is right.

Those who are involved with purchases are close to the viewpoint of experts at the Ministry of the Economy. "Roskhleboprodukt" Vice President Yevgeniy Tyurin points out that the credits allocated by commercial banks to the federal fund for grain purchases have still not been entirely exhausted. But it is not that easy to find sizable quantities of grain for them. It is costly to fiddle about with small lots. The market infrastructure is not developed. The new finance scheme has also affected the pace of state purchases.

The point is that the budget did not make provision for money to be allocated to replenishing the federal fund. It was necessary to turn to bankers. Banks, unlike the state, will not be so considerate as to write off the interest at which the credits were issued. Such "toughness" frightens officials who are accustomed to dealing with budget funds, and so the "Roskhleboprodukt" leadership now is more concerned about how and when it will be able to pay back the trillion-ruble credits than about how to get still more money. The question of purchase volumes takes a back seat. May God grant that it is advantageous to sell the grain that has already been bought and to settle up with the bank.

Russia: Primakov Asks EU for Improved Economic Cooperation

LD0602204096 Moscow ITAR-TASS in English 1708 GMT 6 Feb 96

[By Aleksandr Valiyev]

[FBIS Transcribed Text] MOSCOW, Feb 6 (ITAR-TASS) — Trade and economic cooperation between Russia and the European Union is lagging behind a political dialogue. This point of view was expressed at a meeting between Russian Foreign Minister Yevgeniy Primakov and 15 EU ambassadors and the chairman of the EU Commission on Tuesday.

The Russian side pointed out the importance of the soonest retreat from the stereotypes of the past. "One should give up the stance regarding Russia as a state with a state-controlled system of trade and give up tight quotas on Russian exports," Primakov said.

The sides expressed the opinion that a large-scale cooperation between Russia and EU meets the interests of the construction of new democratic and a single Europe free of any barriers or demarcation lines. During the meeting, the main emphasis was laid on deepening a political dialogue and switching over to joint or parallel activities in the key directions of the European and world policies.

Russia: Energy Price Freeze Deemed Economic, Not Political

MM0602165996 Moscow ROSSIYSKAYA GAZETA in Russian 6 Feb 96 p 1

[Report by Gennadiy Voskresenskiy under the rubric "Let's Sort This Out": "What Has the Government To Do With This?"]

[FBIS Translated Text] The Russian Federation Government decision to freeze the price of electricity and gas and railroad transportation tariffs for the period 1 October 1995-1 January 1996 was supported by the country's population. However, reports have appeared in the press to the effect that the localities, having endured

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the "freeze" for a certain period of time, are now raising prices retroactively. Thus, for example, in January 1996 the "Mozdokraygaz" joint stock company board announced that the price of gas would go up by a factor of 4.25 — as of 1 October 1995. And the inhabitants of Mozdok had to pay an extra 100,000-200,000 rubles [R] to the "raygaz" for three months of last year. Naturally all the flak for this extortion went straight to the Yeltsin-Chernomyrdin government.

But what was the real situation. Let us note that the adoption of the Russian Federation Government decision on freezing prices was dictated by purely economic considerations. First of all, the price freeze is a kind of compensation for the six-month stability of the ruble. Second, it is a method of reducing inflation and costs, and an attempt to maintain the upsurge which is taking shape in a number of sectors (metallurgy, the chemical sector, the forestry industry and others). Finally, this reduction in budget-funded organizations' expenditure on paying power and gas bills may be small, but it nevertheless constitutes an economy for the budget.

So it turns out that the crux of the matter is not political "machinations," which some people see in every government decision, at all. The economic situation in the country is such that anti-inflationary measures must indubitably be adopted.

And it was not the government, but certain regional monopolists who started jacking up the prices as of 1 January. The specific example from Mozdok in fact testifies to this.

They have even raised prices retroactively, thus violating both federal laws on the regulation of tariffs, and the corresponding government decisions.

As many examples show, the initiative of such violations comes as a rule either from the local authorities or from the regional power engineering chiefs, who are in an extremely anarchistic frame of mind. And since that is the case, the local official organs should obviously sort them out.

Russia: Defense Industry Output Falls; Military Exports Rise

LD0602204396 Moscow ITAR-TASS World Service in Russian 1304 GMT 6 Feb 96

[FBIS Translated Text] Moscow, 6 Feb (ITAR-TASS) — In the past two years the output of Russia's defense industry enterprises has fallen by 44 percent, while the proportion of military exports in the total output of the military-industrial complex has risen.

The greatest fall in production during this period was observed in the aviation, electronics, radio, and communications industries. These statistics were quoted in the information and analysis review "On the Progress of Conversion in the Defense Complex and Closed Administrative and Territorial Formations in 1995," which was received by the ITAR-TASS office today. It was drawn up by the Economic Trends Research Center under the Russian Government.

The manufacturing of arms and military hardware in the January-November period of last year was down 18 percent from the same period of the previous year, the review says. For the whole of 1995 production was down 15-16 percent on 1994, according to the Economic Trends Research Center. The authors of the review account for the slump in arms production by the cuts in the defense order the funding of which is inadequate and ill-timed.

As the Defense Ministry is short of funds to upgrade the weapons of the Russian Army, defense enterprises are now seeking to switch to output which is geared to the external market. The share of military exports in the total output of the military-industrial complex doubled in the first six months of last year compared to the same period in 1994. This process is the fastest in the aviation and ship-building industries.

According to the Economic Trends Research Center, in 1995 civilian output in the defense complex was 14 percent down on the previous year. The sharpest slump was observed in the production of consumer goods, the output of which, as the authors of the review believe, was 37-28 percent down last year on the previous year, while in the past two years it fell to a third of what had been previously.

Russia: Ministry Outlines New Oil Transit Fees Valid 1 Feb

AU0602134396 Bratislava PRAVDA in Slovak 2 Feb 96 p 1

[Report by Moscow correspondent Felix Alexejev: "New Oil Transit Fees"]

[FBIS Translated Text] Moscow — The Russian Ministry of Fuel and Energy confirmed that new tariffs for the transit of crude oil realized by the Russian Transneft joint stock company through the system of main [magistralne] oil pipelines went into effect yesterday. The export of this raw material outside the Commonwealth of Independent States [CIS] will be realized on the basis of two tariffs, consisting of a stable and a variable component.

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The basis for the variable indicator is the ruble tariff valid on the territory of Russia and CIS and it depends on the transit route. The stable component consists of the hard currency rate for transit services and amounts to $3.20 per metric ton.

In an interview for PRAVDA, a Russian expert in the field of crude oil transit who wished to remain anonymous commented on the new tariffs as follows: "In the past, the oil transit rate for countries other than CIS republics was $3.98 per metric ton. From 1 February this year, it has been lowered to $3.20. To offset in some way this decrease in dollar terms, the ruble tariffs for the use of the main pipeline system of the Russian Federation will be raised by an average of 10 percent. This change was made under pressure from crude oil producers who were dissatisfied with the high cost of export transit through the pipeline system. I am afraid, however, that Western partners will not gain much from this decrease because Ukraine intends to add the 70 cents saved to the fees for the transit of oil across its territory."

Russia: Measures on Wage Debt To Be Implemented Next Week

LD0602131796 Moscow INTERFAX in English 1134 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (INTERFAX) — The government is to inform Russian President Boris Yeltsin on the implementation of his instruction on wage payment to state employees on Tuesday, presidential adviser on economic issues Aleksandr Livshits told INTERFAX. Tough measures are planned against persistent defaulters, he warned.

The matter concerns a complex of measures "which would help to settle the wage debt in the near future," he said. "If the president approves these measures, then the situation with wage payment to budget sphere employees will be normalized."

Yeltsin adheres to "an extremely tough position" on this issue because he believes that the chronic debt on wage payment "is a cruel violation of socioeconomic human rights."

Appropriate control bodies have checked the implementation of the presidential decree on the utilization of budget assets not allocated from the budget appropriations on social protection articles. Yeltsin will be informed of the results this week. This means that leaders at all levels are obliged to ensure the timely payment of wages in the presence of money in enterprises' accounts.

"I would not like to scare anybody, but the toughest measures will be applied with respect to persistent defaulters starting next week," Livshits said.

Russian Prime Minister Viktor Chernomyrdin's vacation is because he needs "to gather his forces before implementing the largest socioeconomic action" related to improving the situation with wage payment to budget sphere employees," Livshits said.

He underlined once more that the complex of measures to achieve this goal has both economic and administrative aspects.

Russia: Treasury Official Interviewed on Budget Arrears

MM0602112596 Moscow IZVESTIYA in Russian 6 Feb 96 pp 1-2

[Interview with Aleksandr Smirnov, chief of the Russian Federation Ministry of Finances federal treasury main administration, by Irina Savvateyeva; date and place of interview not stated: "Treasury Cannot Withstand Generosity of Election Handouts" — first paragraph is introduction]

[FBIS Translated Text] The ease with which the Russian authorities, both executive and legislative, have set about making populist decisions for spending budget funds is frightening. You form the impression that the president, premier, and people's deputies have suddenly forgotten that money cannot be made out of thin air. In what state might the Russian treasury be after such persistent overtures? Will the 1996 budget withstand the election campaign which has in fact been launched? IZVESTIYA put these and other questions to the custodian of Russia's state coffers — Aleksandr Smirnov, chief of the Russian Federation Finances Ministry federal treasury main administration.

[Smirnov] The state of the federal budget? The revenue in January was 15 trillion rubles [R]. The planned expenditure is over R30 trillion.

[Savvateyeva] That is taking into account the January decisions on Chechnya, the coal miners, and pensioners?

[Smirnov] That is not counting January's decisions.

[Savvateyeva] ...Then what next?

[Smirnov] For "Rosugol" we received a directive from the premier to pay R600 billion in January instead of R200 billion. We were strained, but we managed. By cutting back on other items — primarily financing for regions.

[Savvateyeva] How legal were the coal miners' demands?

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[Smirnov] For me the law is the budget. Last year the Ministry of Finances met its budget obligations to "Rosugol." If after that the miners are not paid their wages, they should sort things out with "Rosugol." But they successfully developed another tactic. Twice a year — on the eve of the heating season and also at its height — they organize a fall and a winter offensive on the government: the picketing of the White House, strikes, and ultimatums. Their calculation is faultless: At these critical times the government will be afraid of leaving cities and settlements without fuel.

[Savvateyeva] But in your view how justified are the claims on the budget regarding unpaid wages?

[Smirnov] For this item the budget does indeed have debts. Of the R40.3 trillion which the Ministry of Finances should have issued for wages for the first 11 months of last year only R39.6 trillion were allocated. Or 98.2 percent. Here expenditure on wages in the sociocultural sphere was financed in full. But in connection with the deterioration of the financial situation (the drastic rise in the money mass and the growing threat of inflation) since 21 December last year the government has been obliged to suspend payments from the budget. As a result the federal budget's wages and salary arrears for 1995 totaled about R3.4 trillion.

[Savvateyeva] But last year ended a month ago. In January what steps were taken to eliminate the arrears?

[Smirnov] In accordance with the law on the budget for 1996 last year's debts are carried over for one item only — the financing of capital investments. To the sum of R2.6 trillion. Nonetheless in February we shall try to eliminate the month's wages arrears.

Of course all these plans are feasible only if the State Duma does not make a final decision on the latest indexing of the minimum wage by 20 percent. To this day we have not completely fulfilled last year's 54 percent indexing decision, which was extremely hard on the budget: In January the state apparatus received wages without the 54 percent increase.

[Savvateyeva] How much could 20 percent indexing cost the budget?

[Smirnov] Considering that very many payments — grants, benefits for the handicapped and the victims of Chernobyl, and other social expenditure — depend on the size of the minimum wage, then at least R3 trillion more a month could be required. The treasury does not have that money.

[Savvateyeva] In your view will the prompt intervention of the president, who by his edict has ordered the payment of wages in the budget sphere without red tape and who has even obliged the Ministry of Finances to publish in the press a weekly wages payment chart, help to sort out the wages arrears problem more rapidly?

[Smirnov] Well, first, I want to remind you that in the total sum of employers' wages arrears, R13.4 trillion, the share of the federal budget is less than one quarter. So Ministry of Finances charts will hardly help to resolve the whole problem fundamentally. As for edict no. 66.... Of course the treasury will ensure the financing of wages, monetary benefits, and grants in full accordance with the weekly charts. But in my opinion as a result we will in practice be cutting back on the so-called development budget — capital investments, financing for science.... We shall simply engage in the overt eating up of our national assets.

[Savvateyeva] Nonetheless I want to draw your attention, Aleksandr Vasilyevich, to a remark made recently by the president: There is money in the budget, he said, only it is not always spent sensibly. Do you know what he meant in this case?

[Smirnov] There is no smoke without fire. Today there is no reliable system for monitoring the distribution of funds earmarked from the budget. The despotism of the ministries and departments in this matter is huge. In December we gave about R380 billion for the payment of grants. And suddenly my paymaster from St. Petersburg recently reported to me that only R16 billion had reached them although the budget's grants arrears to the city were R60 billion. Where is the logic in this distribution of money? But in this case we were powerless against the State Committee for Higher Education. The same thing also often happens with wages: We give the money to a ministry but it does not reach the final recipient.

In principle this problem can be and is being resolved. Gradually, by forming treasury institutions, we are transferring to the paymaster [kaznacheyskiy] system of executing the budget. That is we are bringing money from the budget to a specific recipient not through the ministries' accounts but through paymasters, bypassing all kinds of executive middlemen — ministries, main administrations, and territorial administrations.... But this work is proceeding with difficulties. It is very difficult to overcome the habit of ministry and department leaders of controlling the issue of enormous sums for themselves.

[Savvateyeva] Who is most persistent in opposing state control over budget funds?

[Smirnov] All those who feel for some reason or other that they are independent of the federal authorities. For political reasons branches of the federal treasury have

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still not been created in Kabardino-Balkaria, Ingushetia, and Bashkortostan. The donor-regions which maintain all the rest of the country are trying to behave in a very independent manner. Only at the end of fall last year did we start to form our structures in the capital — far later than in Chechnya, for instance. The Moscow authorities defended to the last their opportunity for distributing budget money through the banks' system.

As for the departments, here we are encountering an extremely negative attitude on the part of those who receive substantial budget funds and have substantial political clout. Actually it is primarily a case of the "power" departments (the Defense Ministry, the Internal Affairs Ministry, and the Federal Security Service), the agro-industrial complex, and "Rosugol." Thus, for instance, budget wages arrears to the power departments are R1.7 trillion while these departments' wages arrears to servicemen for the year are assessed at R7.1 trillion. A well known general in charge of the Defense Ministry finances not long before he retired frankly told us: Don't poke your nose in, we know ourselves where the money goes. And to this day no one in the state apart from the top officials in the ministry itself knows how budget money is spent in the army.

[Savvateyeva] And the state has made no attempts to eliminate this anarchy?

[Smirnov] At the end of last year when the question of how the schedule for the financing of arms, military equipment, and scientific research work was not being met arose acutely, Chernomyrdin instructed us to investigate what was happening to budget funds inside the department. To all the Ministry of Finances' attempts to ascertain anything we received the answer I have cited above. But the premier made it clear he would not just leave things like that. Subsequently Chernomyrdin gave instructions to transfer all power structures to financing through the paymaster system. The Ministry of Finances is now preparing the relevant draft presidential edict. It is expected that it will be signed in the government in February and by July specific work on the transition will begin.

[Savvateyeva] Money for Chechnya. What is happening to it once it leaves the federal budget?

[Smirnov] Money reaches Chechnya through two channels. One part is received by Russian ministries and departments. The other consists of federal budget subsidies to the Chechen Republic budget. Actually the entire Chechen budget consists of such subsidies. This money goes into the accounts of regional branches of the treasury and must then be spent through the municipal banks. So in this situation what perturbs us most is that all the money belonging to the Chechen Republic (to its government, ministries and departments, and city and rural administrations) is in the accounts of a single bank, the Kredobank. Indeed, there are no other banks actively operating in Chechnya. So we have frequently suggested to the Chechen Government that it transfer its accounts to the Central Bank field branch. We have sent official representations to Zavgayev and Khadzhiyev. We have discussed the problem at personal meetings. But to this day the question has not been resolved.

Where the lack of normal state monitoring of state money can lead I can illustrate with the following example. In November last year it was decided immediately to pay additional compensation to people who had suffered during the Chechen conflict. Through the treasury R70 billion was dispatched for the purpose to Groznyy. A special procedure for payments was established which stipulated in particular that payments for a single family should not exceed R60 million. A special Chechen commission was to distribute the money on the territory of the Chechen Republic.

And now this commission is handing on to us a list of those to whom it is planned to pay compensation. The lists contain 269 families. The sums are R248 million per family or R279 million, R309 million, R578 million.... Of course we withheld payment of increased compensation. We appealed to the Ministry of Social Security asking it to investigate the situation. But there has so far been no reply. There is a terrible onslaught against our paymaster in Chechnya, he has already virtually been declared an enemy of the people there. And suddenly we learn that the latest share of compensation, a further R83 billion, has entered the Kredobank accounts in Chechnya. The money was dispatched by the Ministry for Social Security, bypassing the paymaster system. This is a gross violation of the system for the execution of the federal budget. I am sure that when the paymaster system has finally been set up complete order will be introduced in the Russian treasury.

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International Affairs

Ukraine: Kuchma, Diplomatic Corp on Foreign Policy

WS0602150696 Kiev KHRESHCHATYK in Ukrainian 2 Feb 96 p 2

[Report by UKRINFORM correspondent Oleksiy Trotsenko: "Ukraine Has Irrevocably Chosen the Path of Building a Society Where Man Would Be the Highest Value"]

[FBIS Translated Text] This has been emphasized during a traditional New Year's meeting by Ukrainian President Leonid Kuchma with ambassadors and heads of other diplomatic offices of foreign countries in our country, which took place in the White Hall of the Mariyinskyy Palace. While greeting the diplomats, the president stressed that their activities promote comprehensive development of relations maintained by our country with the states that they represent. Speaking about Ukrainian affairs, Leonid Kuchma stressed that the last year saw a big stride in expansion of both political and economic relations with other countries, which significantly increased the authority of our country in the international arena. Among other things, Leonid Kuchma emphasized that last year we managed to avoid political crisis and concluded the Constitutional Agreement between the Supreme Council and the president, which allowed for forging strong and unshakable principles of the Ukrainian state. A major breakthrough was reached in preparing a new Ukrainian Constitution. We anticipate its adoption as early as this year.

Today, the president stressed, we have every reason to say that the critical point had been left behind: Ukraine has irrevocably chosen the path of building a civilized democratic society, a society where man would be the highest value. In my New Year's address to the Ukrainian nation, I declared, and can confirm it right now, that for me the notion of Homeland loses its meaning if it is alienated from specific people and does not comprise the lives of compatriots and their families.

Speaking about Ukraine's international relations last year, the president said they can be largely described as positive. After all, that process was full of essential contacts addressing a whole range of practical achievements. I am confident that they will have a lasting stabilizing impact on both a favorable international climate and the situation in Europe and the entire world.

Among positive results of the last year, the president singled out Ukraine's admission to the Council of Europe, a fact that should be considered as a recognition of consistent democratic transformations in our state. At the same time, he stressed, we are aware of the need to conduct serious work intended to improve the national legislation. Also emphasized were tangible changes in other spheres of multilateral diplomacy. Along with other countries, Ukraine, in our opinion, made a considerable contribution to UN peacekeeping efforts and became a participant in the nonalignment and Mediterranean Sea process, which opens up new broad prospects for our international activities. Ukraine intensified its cooperation with such European structures as the EU, and the Organization for Cooperation and Security in Europe. We searched for new forms of regional cooperation. Our relations with the North Atlantic were elevated to a higher status. As part of the Partnership for Peace program, the first individual program for Ukraine's cooperation with NATO was devised. Also, an important fact is, the president stressed, that we agreed with the European and world community on shutdown of the Chernobyl nuclear power plant, where a grave accident occurred ten years ago. We will be marking this tragic anniversary together with all UN states.

Leonid Kuchma noted that Ukraine's increased foreign activities were significantly promoted by representatives of embassies and other diplomatic institutions based in Ukraine. He thanked the diplomats for their fruitful contribution in the cooperation between our countries.

The president highly praised positive changes in our relations with Russia. As you know, he said, I had a working meeting with Russian President Boris Yeltsin on 16 January. Its results provide grounds to hope for further progress in Ukrainian-Russian relations. An important step in harmonizing our relationship became an agreement on creating the mixed Ukrainian-Russian cooperation commission that will be co-chaired by the heads of our states. We also agreed that President Yeltsin will visit Ukraine in March to sign a friendship, cooperation, and partnership treaty.

I would like, the president said in conclusion of his speech, this year to become a turning point in our efforts to maintain peace, accord, and stability in all regions of the globe. The year 1996, he said, has a special importance for Ukraine. Our country will celebrate the fifth anniversary of its independence. When we marked the first independence anniversary in 1992, the number of foreign embassies in Ukraine was very scarce. At present, there are about 70 of them. I am deeply convinced that the future holds for the Ukrainian people well-being and stability. My sincere wish is that this future be generous also for the nations that you represent here. I am sure that we will continue to meet in a broad circle of friends, working for the benefit of common interests, well-being of our nations, peace, stability, security, and prosperity.

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Vittorio Surdo, Italian ambassador in Ukraine and the dean of the diplomatic corps, made a reply speech. He expressed gratitude for such meetings organized by the Ukrainian leadership with the diplomatic corps, which have already become a tradition. If you look back into the past year, the ambassador said, we will see many events testifying to the dynamic pace at which Ukraine builds its statehood. Major steps were made toward reforming the economy and social system. The road to full-fledged democracy is difficult, but we are witnessing the fact such processes are becoming increasingly popular in Ukraine.

The ambassador emphasized that the democratic processes in Ukraine are also supported by the international community. We are sure that Ukraine will continue to move forward along the path of reforms. The past year has confirmed that Ukraine became a full-fledged member of the international community. This can be evidenced not only by its admission to the Council of Europe, but also by agreements signed with the EU and NATO, as well as by cooperation dialogues being conducted with an increasing number of countries. Attention of the diplomatic corps, the ambassador said, has recently been focused on the development of Ukrainian-Russian relations because of their importance for stability in the region and Europe. We hope that this year will be marked by a continued progress in that direction, as well as in other essential issues related to the Ukrainian foreign policy.

On behalf of the diplomatic community, Vittorio Surdo wished the president, parliament, Ukrainian Government, and the entire Ukrainian people successes in building a Ukrainian independent state.

The meeting was attended by Ukrainian Prime Minister Yevhen Marchuk, Foreign Minister Hennadiy Udovenko, and other officials.

Ukraine: Kiev Supports European Security System Based on NATO

LD0602183596 Kiev UNIAN in Ukrainian 1430 GMT 6 Feb 96

[FBIS Translated Text] Kiev — Ukraine is in favor of an indivisible security system, that is, it is against the creation of parallel structures in either the European or the global security system, the head of the Ukrainian Foreign Affairs Ministry's information department, Yuriy Serheyev, noted at a briefing on 6 February.

According to him, Ukraine supports some states' idea that such a security system could be based on the existing NATO organization. Ukraine's approach to a single system of security is based on evolutionary entry to it by other countries, taking into account their interests. He recalled once again that Ukraine is against the mechanical expansion of NATO.

Ukraine: Kiev, Moscow View of NATO Expansion Differs

LD0602155696 Moscow INTERFAX in English 1427 GMT 6 Feb 96

[FBIS Transcribed Text] KIEV, Feb 6 (Interfax-Ukraine) — Ukrainian Foreign Ministry spokesman Yuriy Sergeyev has defined Ukraine's position on the eastward expansion of NATO, and pointed out that this position differs from that of Russia.

The two country's positions on NATO's enlargement "have much in common on the surface, but they are not identical," he stated during a briefing Tuesday.

He said Ukraine favored an indivisible system of European and global security. "We are against the creation of parallel security structures," he said.

Ukraine believes that a new security system "might be based on NATO's current system," he went on to say. However, Ukraine opposes NATO's "instant and automatic enlargement," he said. "This might create a rigid borderline and accelerate the objectionable creation of parallel security structures," said Sergeyev.

In Ukraine's opinion, a single security system must be shaped in the process of evolution.

Russia views the possibility of NATO's enlargement as something absolutely inadmissible, he continued. Ukraine, by contrast, is against a "mechanical approach" to the problem.

"So the two countries' positions have something in common but are not identical," he said.

In his opinion the implementation of the Partnership for Peace program, which creates "an atmosphere of trust and cooperation in Europe," might serve as a transitional stage in shaping a new security system.

Sergeyev believes that "as many countries as possible should be involved in this process, without isolating Russia."

Ukraine: Kuchma Blames Russia for Free Trade Agreement Problems

LD0602205096 Moscow INTERFAX in English 1901 GMT 6 Feb 96

[FBIS Transcribed Text] Kiev, February 6 (Interfax-Ukraine) — The free trade agreement between Ukraine and Russia does not work through Russia's fault, Ukrainian President Leonid Kuchma told a meeting here today with the deputy chiefs of local administrations,

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who are currently taking a course of advance training at the Management Academy to the Ukrainian President.

The Russian side, Kuchma recalled, has deleted on its own initiative as many as 180 commodities from the list of goods covered by the agreement. "My question is: If the agreement won't work, what will the customs union do?" Kuchma said, adding that "it will work, but will do so against Ukraine's interests".

The President reaffirmed his intention "to move towards a customs union, but through free trade procedures."

Ukraine: Yeltsin Visit To Be Test of Russian Sincerity

LD0602225396 Moscow INTERFAX in English 1901 GMT 6 Feb 96

[FBIS Transcribed Text] Kiev, February 6 (Interfax-Ukraine) — Ukraine will judge the sincerity of Russia's approach to Ukrainian- Russian relations, proceeding from the premise whether the Russian President's visit to Kiev scheduled for early April will be held or not. A statement to this effect was made by Oleksandr Bozhko, Chief of the CIS countries department of the Ukrainian Foreign Ministry, at a briefing at the Ministry on Tuesday.

It takes "the political will of both sides that the scheduled meeting of the two Presidents be held at last," he said. In his opinion, all the disputable issues, in the first place, the BSF [Black Sea Fleet] problem, on whose settlement the Russian side insists prior to the start of the visit scheduled for early April, can hardly be resolved. According to Yuriy Sergeyev, Chief of the Information department, the date of Boris Yeltsin's visit (April 4-5) "has been predetermined by the agreement between the two Presidents." He expressed astonishment at the statement made by Russian presidential press-secretary Sergey Medvedev that the agreement on the day of the visit had been reached by the Foreign Ministers of the two countries.

In Yuriy Sergeyev's opinion, it is "mutually beneficial" that an agreement be concluded at the earliest date. It will be proof of the fact that "a zone of trust is being created in the region," the Ukrainian diplomat said.

Ukraine, as Sergeyev put it, proceeds from the premise that the draft treaty between Ukraine and Russia has been initialled in keeping with the standards of international law. He emphasized that the initialing procedure is exercised on the basis of corresponding instructions of the governments. "We view this treat precisely as one having been initialed," he stressed.

In the course of his visit to Kiev last week, Russian Foreign Minister Yevgeniy Primakov insisted on the term "agreed upon" with reference to the draft treaty."

Oleksandr Bozhko noted that in the course of Foreign Ministers' talks the Russian side "did not display" an understanding of Ukraine's stand on the border issues. He recalled that Ukraine views all of its borders as those of equal status, without dividing them into external and internal ones. At the same time, the diplomat voiced hope that the Russian side "realizes the existence of this issue." He cited as proof of that Russia's consent to the creation of a joint commission to look into the issue. "This is obviously a matter of tactics," he said. According to Bozhko, high on the agenda of the talks was the issue of Russian-Ukrainian trade and economic relations. Thus, in particular, the question was raised of a "return to free trade regimen". On that issue, Bozhko noted, "there has been not much change in the position of the Russian side." He voiced hope that economic cooperation would be dealt with more specifically by the mixed commission for economic cooperation.

In the course of the talks the Ukrainian side voiced the opinion that "an improvement of trade and economic relations is hampered by relapses of an imperial attitude to Ukraine."

Ukraine: UNA-UNSO 'To Conduct Actions' Against Russian Treaty

AU0602175296 Lvov ZA VILNU UKRAYINU in Ukrainian 1 Feb 96 p 1

[Unattributed report: "By Boris Yeltsin's Arrival in Kiev, the UNA-UNSO Will Conduct 'Direct Actions on Russian Territory'"]

[FBIS Translated Text] The UNA-UNSO [Ukrainian Nationalist Assembly-Ukraine's People's Self-Defense] intends to conduct several direct actions on Russian territory that will be timed to the visit to Kiev by Russian President Boris Yeltsin, stated Viktor Melnyk, head of the UNA Executive Committee, at a news conference. According to him, in Ukraine, by Boris Yeltsin's arrival, measures of civil disobedience and propaganda campaign will be held with the help of trade union organizations and some political parties. The UNA's main task, he pointed out, is to prevent the signing of the large-scale political treaty between Ukraine and Russia.

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Ukraine: Estonian Minister's Views on Russia, NATO Expansion

LD0602225496 Kiev UNIAR in Ukrainian 1640 GMT 6 Feb 96

[FBIS Translated Text] Kiev — Members of the Estonian parliamentary delegation voted against Russia's admittance to the Council of Europe, Estonian Foreign Affairs Minister Siim Kallas said at a news conference. The Estonians were simply shocked at events in Chechnya, and this is why none of our parliamentarians could vote otherwise. Russia's admittance to the Council of Europe was conditioned by a series of demands, and when Estonia takes the chair in the European institution, and this will be soon, it will strictly monitor observance of these demands.

The Ukrainian and Estonian foreign affairs ministers, Hennadiy Udovenko and Siim Kallas, both deemed the visit to Ukraine a successful one. The Estonian minister said that his country will continue to support Ukraine in the international arena. His country will demand that Europe recognizes Ukraine as a "powerful and great state and a force in world politics."

With regard to Ukraine's attitude to NATO expansion to the east, and in particular Estonia's desire to join this military-political bloc, Hennadiy Udovenko stressed that our state's stance remains unchanged. No one has the right to veto NATO expansion, and that includes Russia. This is an issue for NATO and the countries wishing to join it. Therefore the issue of Estonia's entry to NATO concerns only it, and not Ukraine. Udovenko emphasized that the essence of his political position is the improvement of relations between NATO and Russia.

The Estonian minister noted the positive traditional economic relations between our countries and said that the Ukrainian Supreme Council might ratify the treaty on free trade between our countries today. Replying to journalists' questions with regard to prospects for realizing the idea of setting up a Baltic-Black Sea union, Mr. Kallas stressed that this is only an idea so far, but it is being studied and could be put into practice if it is reinforced with specific projects.

The participants in the news conference said that the issue of the Ukrainian minority in Estonia was discussed during the visit. The ministers noted that our countries' positions on this issue entirely coincide. "We do not perceive the concept of protection of the Russian-speaking population, we are concerned at the fate of Ukrainians," Mr. Udovenko said. In order to ensure the necessary "cultural replenishment" of the lives of Ukrainians beyond our state, he said, the government had adopted a program called "Ukrainian diaspora 2000." But we are most concerned at the fate of Ukrainians in Russia, the Ukrainian minister stressed.

Ukraine: Kuchma 7-9 Feb Visit to Finland Previewed

WS0702094496 Lvov INFOBANK in English 0808 GMT 7 Feb 96

[From the "News Service" feature]

[FBIS Transcribed Text] Kiev — During President Leonid Kuchma's official visit to Finland, scheduled to take place February 7-9, members of the Ukrainian delegation plan to sign an intergovernmental agreement regarding prompt reciprocal notification in cases of nuclear accidents as well as cooperation and the exchange of information in the areas of nuclear and radiation safety. It is expected that documents will also be signed with regard to bilateral cooperation between Ukraine's Ministry of Environmental Protection and Nuclear Safety and Finland's Ministry of the Environment, Ukraine's Chamber of Commerce and Finland's Central Chamber of Commerce, and Ukraine's Union of Industrialists and Businessmen and Finland's Central Union of Industry and Employers. President Kuchma and Finland's President Martti Ahtisaari together with other delegation members plan to discuss the possible formation of a free trade zone between Ukraine and the Baltic and North European countries, cooperation with regional structures such as the Northern Council and the Council of Baltic States, and the construction of a transcontinental highway connecting Helsinki-Kiev-Odessa-Chisinau-Bucharest-Plovdiv.

According to information released by Ukraine's Ministry of Foreign Affairs, in the first nine months of this year the volume of trade between Ukraine and Finland totalled $45 million, a figure higher than in previous years. Of this amount Ukraine exported $15.8 million worth of goods and imported $29.2 million from Finland, giving Ukraine a negative trade balance of $13.4 million with Finland. Ukraine's main exports to Finland were organic and inorganic chemicals (86% of the total) as well as salt and sulfur (8%) and ferrous metal products (3%). Finland's primary exports to Ukraine were cardboard and paper (29%), nuclear reactors and nuclear power plant equipment (27%), and electrical machinery (22%).

According to information provided by Ukraine's Ministry of Statistics, in 1995 Finnish investments into Ukrainian businesses more than doubled and totalled $678,800 as of October 1, 1995. At that time 14 firms into which Finnish capital was invested were operating in Ukraine and 12 of these were Finnish-Ukrainian

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joint ventures. At present 33 Finnish firms have offices in Ukraine, six of which opened this year.

As an example of successful cooperation between businesses from both countries, Ukraine's Ministry of Foreign Affairs cited a contract between the Kiev oblast's department of agriculture and food, the agricultural firm Druzhba in the Vasylkiv region of the Kiev oblast, and the well-known Finnish firm Kemira concerning the use of Finnish technology for increasing agricultural harvest yields in Ukraine. Experts from Ukraine's Ministry of Foreign Affairs believe that a protocol of intent signed in 1995 with regard to cooperation with Finland's State Energy Concern also looks promising. According to this document Ukraine and Finland are ready to work together on the construction, reconstruction and modernization of Ukrainian hydroelectric and gas-run power plants using alternative sources of energy (biogas, garbage and other wastes), in making Ukrainian nuclear power plants more efficient and safer, in regulating the production of electricity at the Dnieper chain of hydroelectric power plants, and in introducing energy-saving technologies in various areas of Ukraine's domestic economy. In the near future the second meeting of a joint Ukrainian-Finnish commission for trade and economic cooperation should take place in Kiev where new proposals involving bilateral cooperation will be discussed.

President Kuchma's visit to Finland was to have taken place January 9-11, but it had to be postponed for a month due to the death of France's ex-president, Francois Mitterand, since Presidents Leonid Kuchma and Martti Ahtisaari went to Paris for the funeral.

National Affairs

Ukraine: Kuchma Issues Appeal to Supreme Council

LD0602235396 Kiev UT-1 Television Network in Ukrainian 1900 GMT 6 Feb 96

["Text" of "appeal" from Ukrainian President Leonid Kuchma to Ukrainian Supreme Council deputies, issued 6 February; read by announcer — no video available]

[FBIS Translated Text] Appeal from the Ukrainian president to people's deputies of the Ukrainian Supreme Council.

Esteemed people's deputies! For two years now Ukraine has been moving down the difficult, controversial, and painful road of economic reforms. The processes that are taking place in the economy are assessed variously and often in ways that are diametrically opposed. Obviously, it is too early to talk about radical changes in the national economy. Noticeable and desired results, especially in the social sphere, have not taken place and could not have taken place in such a short time. The most painful problem is probably the one of non-payments that has led to delays in the payment of wages. However, one cannot also help noticing the appearance of certain positive tendencies, and what is especially important is that they are new for us. There are grounds to consider that the majority of our citizens will notice certain changes for the better in their lives as a result of reforms implemented this year. We do not have the right to allow general weariness of reforms to prevail. This is the joint task of the executive and legislative powers.

For the first time in 1995 the average monthly increase in prices is an unequivocal 9 percent per month. We succeeded in overcoming the negative tendencies of previous years when inflation rates exceeded wage increases. Thus, from December 1994 average wages in the national economy rose by 2.7 percent while consumer prices rose by 1.8 percent. Therefore, real wages rose by 30 percent. For the first time Ukraine has almost completely paid for its energy supplies. Moreover, the debt for 1994 has been partially paid off. The rate of decline in output has slowed down. According to preliminary data, industrial decline amounted to 11.5 percent against 27.3 percent in 1994. However, we have not so far managed to achieve economic growth. Once again this confirms the importance of concentrating our efforts to restructure the economy, in particular, the coal industry.

We are well aware that difficult and responsible tasks await us in 1996: improvements to the system of targeted assistance to the badly-off; restoring investment activity on the basis of strengthening financial stabilization; speeding up privatization; and restructuring the economy. However, at the moment I would not like to concentrate on specific ways of resolving these problems and in doing so, inform you of the annual report by the president to the Supreme Council from which you will receive all the necessary details.

The reason for this appeal to you is the extremely unsatisfactory state of the legislative provision for reforms. Unfortunately, the essential and fundamental aspects of social and every day life still remain outside the regulations of legislation. This causes unacceptable elements of disorganization, chaos, and uncertainty above all, in the sphere of production. Without doubt the new Ukrainian constitution should become the main legislative act. It is precisely the constitution that should coordinate the entire legislative system and make it orderly. I consistently stressed and continue to stress that it is imperative to speed up work on the draft Basic Law. Obviously, the new constitution will not

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immediately make our legislation necessarily complete and developed. At the same time, I am deeply convinced that important gaps in it can be filled by our fruitful and mutually coordinated work. However, I consider that the state of this work and its results cannot satisfy anybody, even though agreed decisions were adopted at the level of the Supreme Council Presidium and the Cabinet of Ministers of Ukraine on the timescale for drawing up the draft law.

It is a matter of concern that out of the 62 draft laws that could ensure the implementation of the government's program of action approved by the Supreme Council, only three had been adopted by January 1996. Eleven laws were given first and second readings, while the remainder were not discussed. Among them are legislative acts on extremely important issues concerning pensions, privatization, financial and budgetary matters, monetary, credit and taxation policies, banks and banking activities, and foreign investment. The state of affairs with regard to the Ukrainian state budget for 1996 is particularly disturbing. The absence of legislative regulation of the most important economic issues compels the president to issue relevant decrees.

Unfortunately, the Supreme Council of Ukraine instead of giving legal substance to the decrees on implementing economic reforms is engaged in vetoing them. In particular, this happened to the decree on financial and industrial groups in Ukraine. However, it is well known that even a decision that may not be sufficiently perfect but is adopted at an important time can be more effective than the best decision that is adopted with a delay. I have no doubt that presidential laws or decrees, even if they are in some way imperfect, are less of an evil than the total absence of legal regulations. For instance, last year a decree was promulgated on measures to ensure privatization in 1995. The law on improving currency regulation has been in force for almost 18 months now. If not for these decrees, then the economy would probably be still working in conditions where there are two hard currency rates. The administrative distribution of hard currency would have remained almost completely in state ownership.

According to approximate calculations by the Cabinet of Ministers of Ukraine, losses to the state budget because of the absence of proper legal guarantees amount to hundreds of trillions of karbovantsi. The failure to adopt just three laws — on value added tax, on patenting some types of entrepreneurial activities, and on mortgages — has caused losses to the state budget amounting to more than 150 trillion karbovantsi per annum. These and other cases were mentioned in the prime minister's letter to the Supreme Council of Ukraine dated 10 January. I am sure that you are also concerned at this situation. It is necessary to improve substantially the legislative provision of reforms, raise the quality of current legislation, including by means of uniting our efforts and improving the coordination of activities between the executive and the legislative powers.

I am counting on the fact that my appeal will find understanding and support among most people's deputies. For my part, I would like to say that the Cabinet of Ministers of Ukraine has instructed me to coordinate promptly with the appropriate Supreme Council commissions draft laws, primarily those concerned with economic issues. There is a shortage of assurances on more devotion to the interests of the nation and of expressions of special worry about the fate of Ukraine that resound from various stands. Time has run out to ascertain relations between the branches of power. I attach special importance to the fifth session and agree with the words of Oleksandr Moroz [speaker] that precisely this session will become a test of the Supreme Council's ability to work. We need to discuss the important legislative acts on matters concerning the development of our state. I hope that the Ukrainian Supreme Council will survive this test with dignity by setting up an independent legislative provision for economic reforms and laying down a legislative basis for the transformations that will finally allow us to raise the standard of living for our compatriots.

[Signed] Yours sincerely Leonid Kuchma

The appeal by the Ukrainian president to people's deputies was made public today at a session of the Supreme Council of Ukraine.

Ukraine: Moroz Speaker Urges Cooperation With President

LD0702104796 Kiev UNIAN in Ukrainian 1810 GMT 6 Feb 96

[FBIS Translated Text] Kiev [no date as received] — In response to the president's appeal to parliament, Oleksandr Moroz, Ukrainian Supreme Council chairman, told a parliament session on 6 February that deputies "shared the president's concern for the nature and progress of reforms." He said, however: "The writers of the statement seem to seek further confrontation between the executive and legislative power structures."

The parliament speaker admitted that the government had presented 62 draft laws to parliament, pointing out that the agenda contained 111 laws, including 82 in January and February.

"The best response to the president's appeal will be cooperation rather than a search for scapegoats," Moroz stressed.

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Ukraine: Kuchma Criticizes Moroz Remarks on Agricultural Policy

WS0702092596 Kiev INTELNEWS in English 0323 GMT 7 Feb 96

[By Natalya Petiakh, INTELNEWS Staff Writer]

[FBIS Transcribed Text] Kiev, Feb 6 — President Leonid Kuchma expressed "concern" Tuesday over Parliament Speaker Oleksandr Moroz's criticism of his agricultural program. Speaking before deputy district administration chiefs, Kuchma criticized the speaker's statement on the "unlawfulness of the decree issued in 1994 on reform of agrarian relations."

"Ninety six percent of the land has been shared already, despite the fact that Moroz tried four times to veto this law," Kuchma said.

According to Kuchma, "Oleksandr Moroz has to determine for himself what he is — the head of Parliament or the head of the Socialist Party." He said that "the future of Ukraine is in collective agricultural enterprises" and noted that "it's necessary to take into consideration peculiarities of regions." In his opinion, development of farming units can proceed only under conditions of support from the state by means of "granting seed, mineral fertilizers and pesticides." Moroz, speaking to local government officials Monday, called the land and agro-industrial complex reformation program worked out by the Agricultural Ministry and adopted in December at a nationwide conference of agricultural officials "an illogical one, whimsical and unfit for contemporary reality."

Moroz called upon the officials to disobey the president's decree, saying that "this law is illegal, since it belongs to the non-regulated legislation realm."

"The executive power does its work in the way that all the economic machinery steps on the criminal road," Moroz said. "To buy one combine, 260 hectares of wheat should be sown. Highly-industrial technologies cannot exist on small-scale farm-steads," said Moroz.

The speaker is convinced that "the idea of ruining domestic industry, and agriculture in particular, was brought by international financial organizations."

"They are trying to bind dollar, land and commodity together, as well as to ruin Ukrainian industry, so that it would not be a competitor in the western market," Moroz said. "If the sale of land is begun, it will pass into somebody's hands for a song. This happened in the first stage of privatization process, when people were robbed of KBV 28 trillion," Moroz said.

Ukraine: Marchuk Tells Officials To Settle Payments for Miners

AU0602171396 Kiev HOLOS UKRAYINY in Ukrainian 1 Feb 96 p 1

[Report attributed to INTERFAX-UKRAYINA: "At Last, a 'Mechanism' Has Been Found. It Only Remains To Find Money"]

[FBIS Translated Text] On Wednesday [31 January] morning, Ukraine's Prime Minister Yevhen Marchuk held a conference at which the situation in the coal industry was discussed.

As the INTERFAX-UKRAYINA Agency was told by Larysa Ivshyna, press secretary of the prime minister, in the course of the conference, "a mechanism was found that will make it possible to resolve, stage-by-stage, the problem of paying off the debt to the miners without the need to print more cash."

At the first stage, almost 2 trillion karbovantsi will be paid to the mines that work to full capacity.

The prime minister authorized vice prime ministers Vasyl Yevtukhov, Roman Shpek, Viktor Pynzenyk, and Anatoliy Kinakh, as well as Economy Minister Vasyl Hureyev and Coal Industry Minister Serhiy Polyakov "to coordinate, by the end of the day, all details of implementing this decision."

Meanwhile

On Wednesday morning, almost 2,000 education workers from all Ukrainian oblasts began picketing the building of Ukraine's Supreme Council. The participants in picketing held slogans that read: "The absence of financing means catastrophe for the state," "Deputy, share your salary with us!" and so on.

"We do not advance political demands, but we raise questions that concern all residents of Ukraine," said Leonid Sachkov, head of the trade union of education and science workers, in an interview for INTERFAX-UKRAYINA.

According to him, the participants in the protest action not only demand that the delayed salaries be paid to them, but also that the law "On Remuneration for Labor" be implemented in full and the Cabinet of Ministers decree on raising communal services tariffs be suspended.

L. Sachkov emphasized that the trade union of education workers does not support the miners' intentions to strike "in view of the need to continue education of pupils and students without interruption."

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At the same time, he pointed out that final decision on holding the strike will be adopted at the plenum of the trade union following a meeting with Ukraine's Supreme Council Chairman Oleksandr Moroz.

Ukraine: Ministry Official on Impact of Coal Strike

WS0702092796 Kiev INTELNEWS in English 0323 GMT 7 Feb 96

[FBIS Transcribed Text] Kiev, Feb 6 — Most Ukrainian coal-burning power plants have coal reserves for only one to two days of operation, Energy and Electrification Ministry fuel and transport department chief Vasyl Protsenko said on Tuesday.

He cited the Trypillya thermal power plant, where there is no stock of coal at all. According to the department chief, the critical situation is primarily due to the walkout in the coal industry.

"Presently, most thermal power plants are functioning 'from wheels.' Coal that arrives immediately goes to production. The Energy Ministry received a KBV2 trillion credit through the Industry Ministry. This money will go to pay off the debt to miners. The fuel being daily burnt up by the power plants is of the same worth," Protsenko said.

The ministry warned that if the coal situation is not stabilized in the few next days, light and heat may disappear from cities.

Economic Issues

Ukraine: Economic Situation in '95 Summarized

WS0702093496 Kiev UKRINFORM in English 0808 GMT 7 Feb 96

[From the "Current Events" feature]

[FBIS Transcribed Text] The general economic situation in Ukraine is characterized by a decrease in the rate of fall in production. Measures taken to achieve macroeconomic stabilization have facilitated the creation of conditions for further reformation of the economy. Meanwhile, the social and economic situation in the country remains difficult and unstable.

In 1995, gross domestic product dropped by 11.8 percent, as compared with the preceding year. Industrial production fell by 11.5 percent in 1995 compared to 1994 while the volume on production of consumer goods fell by 19.1 percent (the figures for 1994 were 27.3 and 25 percent, respectively). Volume of agricultural production in 1995 fell by 4 percent compared with the preceding year, including an 8 percent fall in the public sector. Agricultural producers received 33.9 million tons of processed grain in 1995. This constituted 96 percent of the quantity received by them in 1994. Each hectare of land planted in 1995 yielded 24.4 centners of grain as compared with 26.8 centners per hectare in 1994. As compared with the preceding year, production of bread grain increased in 1995 to 17.5 million tons. In 1995, about 5.8 million tons of grain were delivered to grain enterprises. This constituted 53 percent of the quantity of grain delivered to the enterprises in 1994. Only half of the state contract was implemented. About 7.9 million hectares of land (85 percent of the planned area) were sown with winter grain crops and green fodder due for harvesting in 1996. This includes 7 million hectares (89 percent) sown with grain. Ukrainian farms produced 2.3 million tons of meat, 13 percent less than the preceding year. 17.2 million tons of milk (5 percent less than the preceding year), 9.4 billion eggs (7 percent less), and 13,900 tons of wool (28 percent less) were produced.

In 1995, only 22 percent of the volume of construction work on production facilities provided for by the state social and economic development plan was implemented. The reason for this low figure is lack of finance. About 111,000 apartments were built in 1995. About 8 million square meters of living area were commissioned, 16 percent less than the number of square meters commissioned in 1994. About half of the total living area were commissioned by private builders.

795 million tons of goods were transported by all types of means of transportation, 15 percent less than 1994. The biggest fall in cargo transportation was reported in the automobile and river transportation sectors. Volume of cargo transportation by sea reduced drastically due to the seizure of a number of Ukrainian vessels at foreign ports and other reasons. In addition, the volume of goods handled by sea trading ports increased by 9 percent to 40 million tons, due mainly to an increase in the volume of transit cargoes. The number of foreign vessels handled increased by one- third to 7,000. The process of privatization of industries continued in 1995.

The number of state-owned industrial enterprises fell from 53 percent in 1994 to 44 percent in 1995. The share of state-owned industrial enterprises in the total volume of industrial production fell fro 62 percent in 1994 to 52 percent in 1995. In the January-November period of 1995, Ukrainian foreign trade enterprises conducted operations with partners in 147 countries. The foreign trade turnover was about 20 billion dollars (106 percent as compared with the corresponding period of 1994). This figure includes an export turnover of 10.2 billion dollars (110 percent), import turnover of 9.8 billion dollars (101 percent). The balance of foreign trade was positive and stood at 459.5 million dollars. Former Soviet republics accounted for 53 percent of Ukraine's exports while other countries accounted for 47 percent

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(as compared with 58 percent and 42 percent in the corresponding period of 1994). The largest volumes of Ukrainian goods were exported to Russia (41.3 percent), the United states (4.9 percent), Germany (4.1 percent), Belarus (3.6 percent), China (3.5 percent), Switzerland (2.3 percent), Great Britain and Turkmenistan (1.9 percent, each), and India and Turkey (1.8 percent, each). The largest volume of goods (66 percent) were imported from the former Soviet republics while other countries accounted for 34 percent. These compare with 75 percent and 25 percent respectively in the corresponding period of last year. Most goods were imported from Russia (52.3 percent of the total volume of imports), Turkmenistan (7.8 percent), Germany (5.3 percent), Switzerland (2.6 percent), Belarus and the United States (2.5 percent, each), Great Britain (2.3 percent), and Ireland and Poland (2.1 percent each).

The total income of the Ukrainian population was 2,370 trillion karbovanets, 176 trillion karbovanets more than expenditure. The average monthly per capita income was 4,028,000 karbovanets in 1995 and average expenditure was 3,851,000 karbovanets. As compared with 1994, income and expenditure rose by a factor of 4.6. Expenditures on food products rose by a factor of 4.4 while expenditure on non-food products rose by a factor of 4.1 and expenditures on services rose by a factor of 7.3. The average wage rose by 28 percent. The number of Ukrainians registered as being out of work was 526,900, out of which 175,500 were registered as being unemployed. These figures are greater than the figures for 1994 by 18.2 percent and 32.8 percent, respectively.

As of January 1996, the Ukrainian population was 51.3 million, according to preliminary estimates. Birth rate fell to 9.6 per 1,000 while death rate increased to 15.4 per 1,000 as compared with 10 and 14.7, respectively in 1994. Crime rate increased by 12.2 percent in 1995 as compared with 1994. 642,000 crimes were registered. 41.7 percent of the crimes were categorized as serious crimes. 82.7 percent of all registered crimes were solved.

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Belarus

Belarus: Prime Minister Describes Results of Davos Forum

LD0602132396 Moscow INTERFAX in English 1134 GMT 6 Feb 96

[FBIS Transcribed Text] MINSK, Feb 6 (Interfax-West) - Belarusian Prime Minister Mikhail Chyhir described the results of his delegation's presence at the recent international economic forum in Davos, Switzerland, as "successful and reassuring."

Addressing a news conference in the Belarusian capital Minsk Monday evening, he said that Swiss business circles are willing to grant a credit worth 20 million dollars for the needs of farming in Belarus.

According to Chyhir, Belarus can also hope that Switzerland will allocate $48.6 million for the reconstruction of the heat-and-power plant in the city of Orsha and a credit worth several tens of millions of dollars for developing the tractor plant in Minsk.

There are also plans to reconstruct the Brest-Moscow highway together with Swiss specialists, he noted.

Chyhir said that Swiss business circles are interested in buying stock from the agricultural machinery plant in the city of Lida (in Grodno Region in Belarus' west) and from the confectionery factory in Bobruisk (Mogiliov Region).

He said President Lukashenka intends to invite representatives of Swiss business circles to Belarus in September to get acquainted with its economic potential.

Belarus: Implementation of IMF Recommendations Viewed

WS0602125696 Minsk ZVYAZDA in Belarusian 3 Feb 96 p 9

[Interview with Belarusian Deputy Prime Minister Leanid Heorhiyavich Sinitsyn, by Viktar Sakhankow; place and date not given: "While Reforming Its Economy, Belarus Heeds IMF's Recommendations"]

[FBIS Translated Text] *IMF mission head Mr. Ishan Kapur [name as transliterated] arrived in Belarus on 2 February. Belarusian Deputy Prime Minister Leanid Heorhiyavich Sinitsyn tells a BELTA correspondent about the objectives of the visit paid by a representative of this authoritative international financial organization.*

[Sakhankow] Leanid Heorhiyavich, as is known, the IMF promotes a balanced increase in the international trade, supports the stability of currencies, and provides active consulting services to states as regards their economic and financial problems.... What does IMF membership grant to our Republic specifically?

[Sinitsyn] Belarus was admitted to the IMF on 10 July 1992. At the first stage, cooperation with the IMF was limited to technical assistance and consulting services addressing taxation, budget, and credit policies; currency operations; the payments balance; price statistics; organization of the treasury; and the organization of expert seminars.

The IMF granted its first financial aid to Belarus in July 1993 in the form of a first tranche of credit through the fund for sytem transformations. The second tranche of credit was extended in early 1995.

The IMF contribution to the Belarusian economy over the past two years amounted to over $270 million in the form of two long-term credits (the STF [Structural Transformation Fund] and the first tranche of a standby credit). The World Bank supported the Republic with several loans worth $170 million. Of course, weighed on the scale of the Belarusian economy, this contribution is not so sizable, but in fact it became a catalyst of the entire investment and trade cooperation between Belarus and the West.

Businessmen and financiers in developed countries are extremely cautious about choosing their partners and they practically do not take any steps until the IMF and the World Bank give the "green light," implying that the country has gone through certain economic difficulties; that it has introduced a system of market relations; that its political and financial risks can in general be accepted by Western investors.

Resources granted by international financial organizations are channeled to strengthen our financial positions, stabilize our currency, reduce inflation, and provide a new impetus for structural reform.

[Sakhankow] In September 1995, the IMF Board of Directors decided to grant Belarus a standby credit worth some $280 million to support the policy pursued by the Republican leadership in the sector of macroeconomic and structural reform. This policy, as is known, is implemented through the program — coordinated with the IMF — of measures designed to resolve the national economic crisis. How thoroughly does Belarus implement IMF recommendations?

[Sinitsyn] After a decision to allocate the credit was adopted, the first tranche worth $68.5 million was extended to the Republic. Then financial allocations will be extended in equal amounts, provided that all measures envisaged by the program are implemented successfully. The task of the IMF mission, headed by

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Mr. Kapur, is nothing but to analyze how these measures are implemented.

I will point out that the program envisages a wide circle of measures, the implementation of which has already triggered positive results: in July-December 1995, we managed to achieve a considerable reduction in the inflation rate. In the sector of tax-budget policy, we managed to preserve envisaged indicators of a reduction in the budget deficit. There was an envisaged 2.3-percent increase in the budget deficit, but the actual number, in fact, was 2.6 percent. To cut budget expenditures, a share of the coverage of costs to maintain housing and municipal services was increased gradually. Simultaneously, a mechanism to socially protect poor citizens was introduced. Between 1 August 1995 and 5 January 1996, the size of targeted financial assistance from the budget amounted to 11.8 billion rubles [R] and financial assistance was rendered to 108,000 families.

In the sector of credit and monetary policy, measures to reduce and support the positive level of interest rates were taken. This made it possible to increase access to banking credit and bolstered the financial recovery of enterprises. The increase in the minimum reserves of foreign currency and ruble deposits as well as the banking markup, the distribution of centralized credit resources through auctions, the increase in the size of authorized funds of commercial banks, and a number of other measures bolstered the stabilization of the economic situation. As of 1 January 1996, indicators of a monetary basis [hrashova baza] minimum, of actual [chystyy] internal assets of the Belarusian National Bank and the entire banking system, and of a minimum of actual [chystyy] foreign currency reserves were virtually observed. The share of additional financing of commercial banks by the Belarusian National Bank through credit auctions amounted to almost 89 percent in the fourth quarter, against 80 percent envisaged by the program.

Presidential Edict No. 526, dated 30 December 1995, which approved the program for the denationalization and privatization of state sites that are government property, also had a positive impact on the processes of privatization. In 1996 the State Property Management Ministry, in collaboration with sectoral ministries and local power bodies, drafted a list of sites subject to privatization and prepared critical normative documents to step up privatization. Over 1995, "property" privatization vouchers were assigned and distributed. As of 1 January 1996, 64.6 percent of authorized citizens had obtained their vouchers. Thirty nine specialized investment funds are currently operating in the Republic. As of 1 January 1996, 1,608 enterprises of Republican and municipal property were subject to reform; joint-stock companies were also set up. Over the past year, over 200 enterprises handling the processing of agricultural products and rendering services in the agricultural sector changed their form of ownership.

[Sakhankow] This implies that while Belarus is reforming its economy in complicated crisis conditions, it is trying to observe the IMF recommendations.

[Sinitsyn] I would put it this way: Considering cooperation agreements which were signed with the IMF within the framework of a standby program as well as the IMF's trust in us, the government has been implementing these agreements based on the real situation. The government at the same time realizes that an important condition for fruitful cooperation is the fulfillment of debt obligations. For example, as of today, a decision was adopted to settle debts of enterprises to a German credit line through measures designed to demand debts from enterprise debtors. Regrettably, not everything is going as it should. For example, we have not yet managed to settle Belarusian debts for gas imported from Russia. But the government has performed a large amount of preparatory work and drawn up a draft agreement on the settlement of these debts.

Another serious issue which has not been resolved is the regulation of the currency market. In our opinion, the abolishment of the obligation to sell earned [foreign] currency in mid-summer last year was premature, because the state had no foreign currency reserves to support the stability of its national currency. The adoption of a presidential edict on this issue must bolster the stability of the Belarusian ruble, support exporters, and protect the interests of Belarusian producers. Such measures are temporary, and I believe that they will be corrected toward liberalizing foreign trade based on the IMF recommendations and World Trade Organization standards. This will take place parallel with the economic stabilization and the regulation of our payment balance, which today, regrettably, is negative.

During meetings with IMF representatives, we will analyze results of 1995 and discuss basic economic and financial indicators as regards 1996; we will also outline areas for further cooperation between the IMF and Belarus.

The Belarusian Government believes that the dialogue with the IMF is positive and has a stable foundation. This foundation is based on our mutual intention to achieve macroeconomic and financial stabilization in the country, to reform the economy, and to create critical conditions for its effective development.

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We regard the IMF financial assistance as an expression of high confidence in our current political course. The IMF standby credit will assist us in smoothing out not only current difficulties of the transitional period to the market economy, but also in strengthening the country's positions on the international arena and attracting partners that could invest in the Belarusian economy.

Moldova

Moldova: Report on Withdrawal of Russian 14th Army Property

AU0602124996 Kiev HOLOS UKRAYINY in Ukrainian 2 Feb 96 p 5

[Report by Svitlana Hamova, HOLOS UKRAYINY correspondent, from Chisinau: "They Are Taking Away Their Things" — first paragraph published in a box]

[FBIS Translated Text] An operational group of the Russian troops stationed in the Dniester Region has started emptying its stocks. The first train with Army belongings has already left Tiraspol. It is bound for an area near Moscow.

By May, a total of 19 railroad trains will depart. According to Lieutenant General Valeriy Yevnevich, commander of the operational group, the traffic has been coordinated in line with the 1994 intergovernmental agreement on withdrawing Russian troops from the territory of the [Moldovan] Republic. For the time being, this does not apply to weapons that remain in place. The technical equipment of two engineer companies stationed in Rabnita and Dubasary is being withdrawn. Among this equipment that the operational group has inherited from the 14th [Russian] Army and that it no longer needs are pontoons that the Moldovan side had counted upon. Valeriy Yevnevich pointed out in this connection that some of them are being withdrawn to Russia and some will be left here.

In accordance with the agreement, the property must be divided by the ratio 65 to 35. The piece of "pie" meant for Moldova is 35 percent. It is still not clear how it is going to be divided between the left and right banks. It is only known that the Dniester Region is pleased with what it is getting, or otherwise the Russian military trains would not have been given the green light. Shtefan Kitsak, chief military adviser to President Igor Smirnov's Administration, stated that nothing from what the Russian Army is leaving in the Dniester Region will go to Moldova.

With regard to the weapons and ammunition stored in the village of Colbasna, 2,500 train carriages will be required to withdraw them. Meanwhile, jet projectiles for the system "Uragan" [Hurricane"] are waiting for their time. Their radius of action during explosion reaches 40 kilometers. General Yevnevich stated that Army sappers will need one week for ultimate destruction of the mines and shells. However, blowing up has been forbidden by regional authorities. No mutual understanding has been reached on this issue.

Moldova: Russian Commander Denies Transfer of Weapons to Dniester

LD0602160096 Moscow Russian Public Television First Channel Network in Russian 0900 GMT 6 Feb 96

[FBIS Translated Text] The Moldovan mass media have published a series of articles in which the command of the operations group of Russian troops in the Dniester Republic are accused of giving part of their arms and ammunition to the leadership of the self-proclaimed Dniester Republic. [video shows Russian army detail in front of mobile rocket launchers on parade; tanks moving in snow]

[Correspondent Yuriy Selivanov reporting from Dniester] In particular, it was alleged that Tiraspol had already received ammunition for salvo-firing jet propulsion systems of the Grad and Uragan types, as well as a substantial quantity of other weapons and military equipment. Moreover, Russian Defense Minister Pavel Grachev himself allegedly made the appropriate decision. At a press conference which took place in the headquarters of the operations group of troops, their commander, General Valeriy Yevnevich, called these reports an ill-intentioned libel and threatened to prosecute those spreading them.

[Begin Yevnevich recording] Not a single weapon and no ammunition either was or will be handed over to the Dniester Republic. In accordance with an intergovernment agreement, equipment which can be used for industrial purposes is being transferred, but by no means that which can be used for defense. [end recording]

[Selivanov] Valeriy Yevnevich also spoke about serious problems which arose recently in connection with the planned transportation to Russia of the equipment and property of disbanded military units. According to the general, while the top leadership of Moldova shows a great deal of interest in the intensification of this process, certain departments in Chisinau, in particular the Defense Ministry and the Ministry of Communications, are actually frustrating the schedule for sending off the military trainloads.

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Moldova: Snegur Initiative on Law on Press

LD0602220096 Moscow INTERFAX in English 1855 GMT 6 Feb 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Mircea Snegur addressed the parliament with a legislative initiative to introduce changes in the Law on Press. The president advocates denationalization of mass media and creation of equal conditions for all periodic editions, according to the presidential press service.

The initiative stipulates that the state will render assistance only to scientific-technical and periodic editions. Snegur also proposed to introduce restrictions for creation of period editions whose founders are state power bodies. They will have the right to establish editions publishing only information bulletins and official acts.

Moldova's parliament chairman Petr Luchinskiy said that he is not acquainted with the president's new legislative initiative. According to Luchinskiy, he "supports the idea of denationalization of the press but not by 100 percent."

The decision to grant independence to state mass media largely concerns several government editions, Luchinskiy said. However, they have greater independence in comparison with the editions "which consider themselves independent," Luchinskiy said. IF NOTE: There are already two legislative initiatives of President Snegur in the parliament, on renaming the state language and on purchase and sale of land. He submitted them respectively in April and October last year.

According to local observers, appearance of Snegur's new initiative is caused by his dissatisfaction with the position of the government newspapers, Nezavisimaya Moldova and Moldova Suverane. Snegur repeatedly accused the government editions of adhering to an open anti-president position and proposed to the Cabinet of Minister to replace chief editors of these newspapers.

However the president is dissatisfied not only with the government editions but with the activity of the Cabinet of Ministers as well.

Meeting with several ministers on Tuesday he did not rule out possibility of an early resignation of the government. According to Snegur, it is quite possible if the debt on wage and pensions payment is not liquidated before April 1.

"The situation, when the sum of the debt on pensions payment amounts to 100 million lieus and wage debt - more than 200 million lieus, cannot last for ever," he said.

If the problem is not resolved within several months the public political situation in the republic is likely to destabilize, Snegur said.

Snegur also pointed to a low level of financial discipline and frequent cases of violation of the acting legislation.

Moldova: Snegur's Rejection of Press Law Defended

AU0602143796 Chisinau BASAPRESS in English 1930 GMT 3 Feb 96

["Interview With Olga Poalelungi, head of the Secretariat for Presidential Acts: 'Press Law Restrictions Correspond With International Legislation'"]

[FBIS Transcribed Text] Chisinau 03/02/1996 (BASApress) — Question: President Snegur has refused to promulgate the law on modifications to the Press Law passed by Parliament at the end of the autumn-winter session. Why has this law been rejected?

Answer: As we all know, according to the International Treaty on Political and Civil Rights, freedom involves special obligations and responsibilities. As a result, the law sets restrictions on freedom, if necessary. This refers to the respect for other persons' rights or reputation, defence of public order and state security, etc. Art.20 of the Treaty stipulates that war propaganda is forbidden by the law. The same article bans any calls for ethnic, racial or religious hatred. So, all these directly concern the Press Law and freedom of expression.

Question: Don't you think the formulation "contesting state and people" in the Press Law and the Constitution is extremely equivocal, leaving room for interpretations?

Answer: You may be right. The respective formulation was simply taken from the Constitution.

Question: Does that mean the newspaper TARA, for instance, which publishes in each issue the map of pre-war Romania, may be punished for contesting the Moldovan state?

Answer: Everything depends on each individual case. Maybe the Parliament should have offered interpretations to the law, explained by concrete examples how this formulation can be applied, what "contesting and libeling the state and people" means.

Question: Another restriction refers to the disparagement of personal dignity and honour. The modifications specify that "this restriction does not include materials of public interest, considered by the editor as truthful at the moment of their publication and pursuing noble goals." Don't you think that excluding this specification the law gains a predominantly restrictive character?

Answer: Somewhat yes. The Press Law provides for certain juridical mechanisms which indicate ways of settling conflicts, when the publication of materials arouses certain claims.

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Kazakhstan

Kazakhstan: Prime Minister Views Economic Goals

LD0702120096 Almaty Kazakh Television First Program Network in Russian 1500 GMT 6 Feb 96

[FBIS Translated Excerpt] At a news conference today, Akezhan Qazhygeldin, prime minister of the republic, denied all rumors about the future resignation of the government. But this is not all that was discussed at the meeting with journalists:

[Unidentified correspondent] The chess match which is being played by the government in the form of its medium-term program for the period up to 1998 allows it to avoid time-trouble. There was an attempt to analyze the opening part of the match today with the participation of the government's economic grandmasters: National Bank Chairman Oraz Dzhandosov, Minister of Economy Umirzak Shukeyev, Finance Minister Aleksandr Pavlov, Sarybay Kalmyrzayev, chairman of the Committee for Managing State Property, and Eduard Utepov, chairman of the state committee for privatization. According to the prime minister, last year was a year of a greater inflow of capital to the republic, both circulating assets and investments, which enabled us to strengthen the exchange rate of the national currency to a great extent.

Regarding the government's reform policy, there is no disagreement — neither on strategy nor on tactics — in the highest echelons of power. The only arguments are about the distribution and redistribution of the right to participation in individual projects. Assessing macroeconomic stabilization in the first months [as heard] of this year, Akezhan Qazhygeldin said:

[Begin Qazhygeldin recording] The main macroeconomic indices are still being calculated, but we will be somewhere [word indistinct] 93 and more percent plus one or one and one-half percent on the results of December 1995. We intend to reach zero by September in order to finish the annual results as [word indistinct] plus one and one-half and two, two and three percent of the annual plan [as heard]. [Words indistinct] are also being changed. You might have noticed that we have noticeable, very large aggregates and consumption by the population.

Nevertheless, we do not intend to give up what we have achieved in the industrial sector, and the whole mineral ore sector will be developed quite dynamically, irrespective of the fact that [words indistinct] of 1996. It has become quite intensive in the case of metals. You know that there has been a slump in demand for nonferrous metals at the London metals exchange. We have very serious competition in the market for [words indistinct], we have serious competition and, you know, a complete decline in consumption of hot [word indistinct], production of ferrous metal. This is connected with conversion, including the decrease in armaments and sets, and nonetheless we will go on quite dynamically in these sectors, [word indistinct] to preserve these dynamics.

Things will remain difficult in the light-industry market as well. The difficulty will be connected not only with the absence of investment but also with the unreadiness of the [word indistinct] light-industry enterprises, which were privatized according to the first model — in the main, they are collective property — their unreadiness to play an appropriate part in the process of the crisis, because all these enterprises need to undergo a clean-out. [end recording] [passage omitted]

Kazakhstan: Kazakhstan Plans Police Accord With FBI

LD0602143696 Almaty Kazakh Television First Program Network in Russian 1500 GMT 5 Feb 96

[FBIS Translated Excerpt] One of the important meetings which President Nursultan Nazarbayev had [at the World Economic Forum meeting] in Davos was a talk with Louis Freeh, director of the U.S. Federal Bureau of Investigations, who enjoys great popularity in the country for his successful investigation of the pizzeria connection [svyaz cherez pitstseriyu] affair.

Nursultan Abishevich [Nazarbayev] noted at the meeting that organized crime, financial crimes, and the drug trade is causing particular anxiety. The two sides expressed their common intention to apply joint efforts to the fight against all types of crime. Officers of Kazakhstan's law enforcement services will spend a period of study at Virginia state police academy, probably in the near future.

The president of our country noted that the broad experience accumulated by the FBI would be useful to Kazakhstan's State Investigation Committee. In an interview with KHABAR news agency, FBI Director Louis Freeh said that Americans also have plenty to learn from their colleagues in Kazakhstan.

The draft of a cooperation agreement between the FBI and the Kazakhstan State Investigation Committee to fight organized crime and the illegal drug trade is being prepared for signing at present. [passage omitted]

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Tajikistan

Tajikistan: Rakhmanov Briefs Turkey's Demirel on Situation

LD0602204896 Moscow INTERFAX in English 1653 GMT 6 Feb 96

[FBIS Transcribed Text] DUSHANBE, Feb 6 (Interfax) — Tajik President Emomali Rakhmanov reiterated the commitment of the republic's leadership to the peaceful settlement of all problems in and around the country in a telephone conversation with his Turkish counterpart, Suleyman Demirel, on Tuesday. This will be done in spite of the opposition's violations of the ceasefire agreement, he added.

"There is no alternative to the peace talks," Rakhmanov stated.

Rakhmanov briefed Demirel on the latest events in Tajikistan, Tajik presidential spokesman Zafar Saydov told Interfax Tuesday. "The situation is tending toward stabilization," he quoted Rakhmanov as saying.

Demirel highly praised the Tajik leadership's flexibility in the settlement of the recent conflicts in Kurgan-Tyube and Tursunzade. He also expressed his condolences upon the murder of Tajik mufti Fatkhullo Sharifzoda.

Demirel said his country is ready to render humanitarian and economic assistance to Tajikistan.

The two leaders confirmed their earlier agreement to hold a bilateral summit in Ankara this spring, Saydov said.

Tajikistan: Russian Official Views 'Complicated' Situation

LD0602192496 Moscow Mayak Radio Network in Russian 1800 GMT 6 Feb 96

[FBIS Translated Text] Our correspondent Konstantin Patsyuk interviewed over the phone today Konstantin Shuvalov, first deputy director of the Third Asian Department of the Russian Federation Ministry of Foreign Affairs, on developments in Tajikistan.

[Begin recording] [Patsyuk] Konstantin Viktorovich, can you describe the current situation in Tajikistan?

[Shuvalov] The situation remains complicated although some signs have appeared that it is normalizing. The parliamentary commission headed by Parliament First Deputy Chairman Dostiyev has held talks with the leaders of the unrest in Kurgan-Tyube and Tursunzade.

It was reported to the parliament that an agreement has been achieved to stop the confrontation in Kurgan-Tyube. The 1st Brigade undertook to return to their station. As for Tursun-Zade, the talks with Baymatov and his associates on the surrender of arms still continue. The parliament demands that the disarmament should be completed within three days.

First Brigade Commander Khudoberdiyev, who headed the recent antigovernment demonstrations in Kurgan-Tyube, went to Tursunzade with the government delegation to take part in these talks. This is a new factor.

President Rakhmanov has signed decrees dismissing some government leaders from their posts, including Government First Deputy Chairman Ubaydulloyev.

The parliament has declared an amnesty for the participants of the September 1995 conflict between the 1st and the 11th Brigades of the Tajikistan Defense Ministry. The participants in the present confrontation in Kurgan-Tyube, Tursun-Zade, Khodzhent, and other areas have also been granted amnesty. [end recording]

Tajikistan: UN To Propose 'Compromise Plan' for Conflict

LD0602213796 Moscow INTERFAX in English 1915 GMT 6 Feb 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] ASHGABAT, Feb 6 (Interfax) — The United Nations will propose its own "compromise plan" to settle the on-going inter-Tajik conflict on Tuesday or Wednesday, the U.N. secretary-general's envoy Ramiro Piriz-Ballon told Interfax on Tuesday in Ashgabat, capital of Turkmenistan.

According to him, at the talks in Ashgabat the delegations of the official Dushanbe and of the opposition differed in their approaches on a draft provision on the Forum of Tajik Peoples, which will discuss the country's main problems.

The timing of the forum: before or after a final agreement on results of the inter-Tajik talks, is the current stumbling block.

Leader of the opposition delegation Akbar Turadzhonzoda has told Interfax that the opposition has the same demands: that the power structure in Tajikistan be changed and that opposition representatives take part in the body which defines the general political leadership of the republic. The opposition believes that the Council of National Reconciliation is this body. It can involve representatives of all political parties and movements, he said.

The resignation of several Tajik leaders under the pressure of rebels in Kurgan-Tyube and Tursunzade is the government's "internal affair," which in no way affects the opposition's demands, he said.

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Commenting on the recent Tajik parliament session, Turadzhonzoda described as "provocative" Tajik President Rakhmanov's statement that the opposition allegedly plans to seize Dushanbe.

According to Turadzhozoda, this "threatening statement" was made to scare the CIS countries, first of all Russia, with the likely spread of Islamic fundamentalism.

"An Islamic state has never been our goal," said Turadzhonzoda.

The government chief negotiator, Tajik Foreign Minister Talbak Nazarov has told Interfax that the opposition's proposal to create a Council for National Reconciliation is "anti-constitutional and thus unacceptable."

He also expressed surprise by the position of the other side on the Forum of the Peoples of Tajikistan, saying that it was the opposition which once insisted on its convocation.

Another plenary meeting at the inter-Tajik talks is expected to be held in Ashgabat on Tuesday.

Tajikistan: Peace Talks Reportedly Reach Successful Conclusion

LD0602192296 Moscow Russian Public Television First Channel Network in Russian 1500 GMT 6 Feb 96

[Video report by Sergey Slipchenko; from the "Novosti" newscast]

[FBIS Translated Text] The following report on Tajikistan peace talks is by Sergey Slipchenko:

[Begin recording] [Slipchenko] We filmed these pictures when the negotiations were about to begin, at the most difficult moment. Makhmud Khudoberdyev was due to meet for the first time General A. Zavarzin, commander of the peacekeeping forces, as well as representatives of the Tajik Government and a representative of Yuriy Baturin's Moscow group. The troops were brought to full readiness at that point and shooting had already been heard in town. However, the two days of the talks have brought positive results.

[Tajik President Rakhmanov] I would like to say that yesterday [5 February] was a turning point as full understanding was reached by all parties, the president, the parliament, and the government and the tensions were released.

[Zavarzin] Of course, at certain stages the talks were difficult. However, I am completely satisfied. I am really satisfied because the collective peacekeeping forces accomplished their mission on this soil as guarantors of peace and they will continue with it.

[Slipchenko] In your view, how stable is this situation now?

[Baturin, aide to President Yeltsin] Of course the situation is very fragile and, to be frank, any incautious move or provocation, which one has to take into account, may affect peace in the next few days. I hope however that this will not happen.

[Slipchenko] And the latest report for today: The commander in chief of the peacekeeping forces and an officer from Yuriy Baturin's department have urgently left for Tursunzade to take part in the negotiations. According to plan, the disarmament must be completed by tomorrow [7 February] evening. [end recording]

One should add probably that speaking to our correspondent Sergey Slipchenko, Yuriy Baturnin noted the unusually coordinated work of the Russian services. If our departments always worked in the same manner as in Tajikistan during this time, many things in Russia would be considerably better, Baturin said.

Tajikistan: President, Ministries Hold Situation 'Under Control'

LD0602173096 Moscow INTERFAX in English 1423 GMT 6 Feb 96

[FBIS Transcribed Text] DUSHANBE, Feb 6 (Interfax) - Tajik President Emomali Rakhmanov and the power ministries are keeping the situation in Tajikistan under control, commander of the joint peacekeeping forces in Tajikistan Lt. Gen. Viktor Zavarzin told Interfax Tuesday.

He said that "as a result of wise moves by the president and government, the situation in Tursunzade, the hotbed of a recent rebellion, has considerably improved."

He expressed confidence that the Tajik leaders will manage to find a political settlement to the situation in Kurgan-Tyube, where commander of the Tajik Defense Ministry's 1st brigade, Colonel Makhmud Khudoberdiyev staged a revolt.

He announced that fighting continued in Tavildar between the government fores and the Islamic opposition militants. He expressed hope, however, that the Tajik leaders will find a peaceful solution.

He said that the peacekeeping forces were combat ready. "The peacekeeping forces observe neutrality and act as the guarantor of peace and stability." said Zavarzin.

He also said that plans have been drafted on peacekeepers' support for the border troops on the Tajik-Afghan

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border. "So far, the border guards have been coping with their tasks," he added.

He said that the main task of the peacekeepers and border guards was "to protect the southern frontiers of the CIS and the borders of Tajikistan."

Tajikistan: Opposition Approach on Settlement 'Unrealistic'

LD0602185196 Moscow INTERFAX in English 1653 GMT 6 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 6 (Interfax) — The Tajik opposition delegation continues to stick to its "unrealistic approach" to settlement of the inter-Tajik conflict at talks with the Tajik government, and insists on the self-dismissal of the majority of the existing legitimate authorities, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing in Moscow today.

The Tajik government-opposition talks under the aegis of the U.N. are currently underway in Ashgabat, the capital of Turkmenistan.

The parties in Ashgabat are currently working on a draft protocol concerning a consultative forum of Tajik peoples, Karasin said.

The governmental delegation deems it necessary to convene the forum in April or May 1996, in order to create a permanent reconciliatory commission, which would coordinate efforts to settle the Tajik government-opposition conflict, Karasin said.

Urgent implementation of such measures for national reconciliation would provide a real opportunity to accelerate the inter-Tajik talks and settle the conflict through the participation of a wide spectrum of Tajik political, public and regional forces in that process, he said.

Leaders of the opposition Movement for Islamic Restoration of Tajikistan have ignored the earlier agreements and proposed that the forum be held after the parties reach a final agreement on settlement of the conflict, "or when such an organ for national reconciliation will in fact become unnecessary," Karasin said.

Tajikistan: Tavildara District Reportedly 'Completely Taken'

LD0702084496 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 7 Feb 96

[FBIS Translated Text] A report from Tavildara indicates that the mojahedin of the Islamic Movement of Tajikistan are advancing to the center of the district.

According to a report received by our information center, the mojahedin took 50 more prisoners from the government forces during fighting in Miyonadu village on 5 February. It is said that on that day 60 paramilitaries of the regime were killed and the mojahedin under the command of Mirzo Ziyo seized two ammunition dumps and provision warehouses belonging to the government forces.

The latest report from the frontline indicates that Tavildara District's Miyonadu area has been completely taken by the mojahedin. It also says that clashes are now continuing between the mojahedin of the Islamic Movement of Tajikistan's troops and forces loyal to Rakhmanov's regime in Qifchol village in the District. Qifchol is situated in the area between Tavildara and Miyonadu. The mojahedin troops captured two additional tanks and eight armored personnel carriers.

The report also indicates that the number of captives taken on Monday and Tuesday this week by the mojahedin has not been determined. Overall, more than 250 government soldiers and officers have been taken prisoner by the mojahedin since the beginning of the clashes between Mirzo Ziyo's group from the Islamic Movement of Tajikistan's troops and the Dushanbe regime's forces.

Military experts say that the Dushanbe regime's efforts to prevent the losses being suffered by its forces, which are increasing day to day in Tavildara District, are fruitless.

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